

WORLD NEWS

Row over TV documentary spreads

Gibraltar's Attorney General banned local media from reporting on the killing there in March of three IRA members as controversy continued over Thursday's British screening of a TV documentary about the incident.

The Irish Government expressed concern that the suspects had been shot "when it appears from reports they could have been arrested," but Mrs Margaret Thatcher made clear her anger at the decision to broadcast the programme. Page 4

Report on English

Old-fashioned grammar lessons should not be brought back to classrooms, says the report of the 15-strong Kingman Committee, published yesterday. Page 4

Polish protest grows

Labour unrest spread in Poland, with reports that 25 activists had been arrested. Back Page

Meeting on Angola

Officials from Angola, Cuba, South Africa and the US will meet in Britain next week to try to end the 12-year Angolan war. Back Page; Background, Page 2

Hawaii jet blast

A stewardess was missing and 60 people hurt when the roof of a Boeing 737 was ripped open soon after take-off from Hawaii on Thursday. The pilot landed safely and investigators are probing the cause of the blast.

Soviet drugs tip-off

UK customs investigators seized 3½ tonnes of cannabis from Afghanistan and five Britons were arrested after the first Anglo-Soviet drugs operation.

Thai election called

Thai Prime Minister Prem Tinsulanonda, who was to have faced a no-confidence vote in parliament next month, called a general election for July 24. Page 3

Israelis raid Lebanon

Israeli troops raided villages in southern Lebanon yesterday, while in Athens, Greek police detained an Israeli suspected of trying to kill a Palestine Liberation Organisation official. Page 2

Sri Lanka poll violence

Two people died and two were injured in violence during polling for seats on four new district councils. Page 3

Armenian TV

Soviet television launched Armenian language broadcasts to Nagorno-Karabakh, the Azerbaijani region where rioting broke out recently over demands to withdraw from Azerbaijan republic. Page 2

Athens killing condemned

Greece condemned Thursday's murder of Hapag Hapagian, identifying him as founder of an Armenian guerrilla group opposed to Turkey.

Cruickshank dies

Scottish-born actor Andrew Cruickshank, well-known as TV's Dr Cameron, died aged 60.

Big Red Mac

McDonald's first East Bloc restaurant opens in the Hungarian capital, Budapest, tonight. A "Big Mac" burger will cost 42 forints - about 47p.

MARKETS

DOLLAR

New York lunchtime: DM 1.6765  
FF 5.6985  
SF 1.3955  
Y124.975  
London: DM 1.6745 (1.6685)  
FF 5.6923 (5.6675)  
SF 1.3835 (1.3845)  
Y124.9 (124.6)  
Dollar index: 92.6 (92.4)  
Tokyo closed

US LUNCHTIME RATES

Fed Funds: 6½%  
3-month Treasury Bills: yield: 6.124%  
Long Bond: 98  
yield: 9.06

GOLD

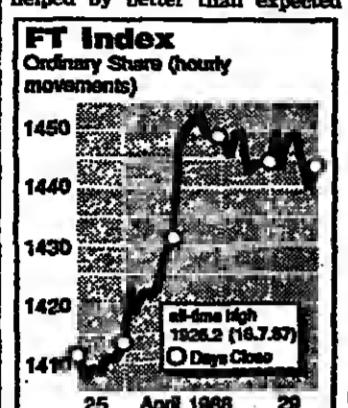
New York: Comex June  
\$45.1 (45.0)  
London: \$44.9 (45.1)

Gold price changes yesterday Back Page

BUSINESS SUMMARY  
Trafalgar sues over purchase of Clyde yard

TRAfalgar House, shipping and construction group, issued a writ for £185m against British Shipbuilders, alleging it was misled over the prospects of the Scott Lithgow yard on the Lower Clyde, which it bought in 1984. Back Page

THE UK equity market recovered from interest rate nervousness, helped by better than expected



UK trade figures for March. The FT Ordinary Index ended 0.8 lower at 1,445.9. Market report, Page 12

JAGUAR CARS shunned UK industry and signed a £14m body tooling order with Chasson, a French engineering consultancy group. Jaguar said it had found it impossible to meet its requirements in the UK. Page 4

OIL PRICES fell after Opec talks in Vienna failed to produce an agreement to match cuts in exports offered earlier by six non-Opec members. Back Page

BRYAN GOULD, Labour Trade and Industry spokesman, called for British Telecom to be referred to the Monopolies and Mergers Commission. Page 3

BRITISH ECONOMY: a 2.9 per cent growth is forecast by the Treasury this year. Page 3

NORSK HYDRO, Norway's largest quoted company, is set to make an international rights issue to raise about \$400m (2212.8m), the biggest cash call ever from a Scandinavian group. Lex, Back Page

SWEDEN reached a two-year pay deal for its white-collar workers in the public services, representing an important break in the 40-year-old centralised bargaining system. Page 2

PIRELLI, Italian tyre and cables group, is to invest a further £100m in its UK subsidiaries over the next five years. Page 4

AVELING BARFORD, Lincolnshire earth-moving machinery maker, is cutting its workforce by a third. Page 4

BAKER ROOKE and Howard Tilley, accounting firms, are to merge, forming a firm with a projected fee income of £15m in the next year. Page 3

CREDIT AGRICOLE, French bank, entered the mortgage market in association with M&G, unit trust group. Page 4

KAJIMA, Japanese construction group, agreed a joint venture with Allied Properties, Hong Kong-based property group, to develop what is claimed to be the territory's largest hotel and commercial complex. Page 10

VOLVO TRUCK Corporation announced a 50 per cent increase in 1987 operating profits to SKr1.6bn (215.6m). Page 10

PHILIPS, Dutch electronics group, announced a 6 per cent increase in net profits to Dfl 217m (£51.6m) in the first quarter. Page 16

STERLING

New York lunchtime: £1.8775  
London: £1.8765 (1.8745)  
DM 3.4375 (3.273)  
FF 11.71 (11.635)  
SF 2.63 (2.585)  
Y224.75 (223.5)  
Sterling index 78.4 (76)

LONDON MONEY

3-month interbank: closing rate 8¾ (8½)

NORTH SEA OIL

Brent 15-day May (Argus) \$16.675 (16.975)

STOCK INDICES

FT Ord 1,443.9 (-0.8)  
FT-A All Share 928.19 (-0.0)  
FT-SE 100 1,802.2 (-2.2)

FT-A long gilt yield index:

High coupon: 9.23 (9.31)

New York lunchtime:

DJ Ind Av 2,024.04 (-17.24)

Tokyo: Nikkei closed

Gold price changes yesterday Back Page

Austria: Sch22; Bahrain: Dinar 450; Bermuda: \$1; Switzerland: Swiss Franc 1.20; Canada: C\$1.00; Cyprus: £1.00; France: FF 100; Germany: DM 100; Italy: L100; Japan: Y100; Jordan: Fils 50; Kuwait: Dinar 1.00; Lebanon: L100; Libya: Dinar 100; Malta: L100; Morocco: Dirham 100; Netherlands: F100; Norway: Kr10.00; Philippines: Piso 20; Portugal: Esc 120; Saudi Arabia: R17.00; Singapore: S\$4.10; South Africa: Rand 100; Sri Lanka: Rupee 100; Sweden: Kr100; Thailand: Baht 100; US: \$1.00; UK: £1.00; Yugoslavia: Dinar 100.

SELLING PRICE IN IRELAND: £60

## Seamen call for action on all ferries to bolster Dover strike

By CHARLES LEADBEATER IN LONDON AND JIMMY BURNS IN ROTTERDAM

6854  
24/6

action, affecting both P&O and Sealink.

NUS officials believe the sequestration of the union's assets would turn the Dover dispute into a broader fight to defend the union. With other crews taking action, they believe it would become more difficult for seamen in Dover to defy the strike and cross picket lines.

Union leaders believe the strike will only be broken if the company manages to get at least five of its ferries working again.

One said: "If they get two or three ferries going, it would be a breach in the strike but it would not break it."

Dockers at Zeebrugge, in Belgium, yesterday voted to boycott P&O ferries from Dover following a similar pledge this week by dockers at Calais and Boulogne.

Yesterday morning's agreement between the union and Sealink's chairman, that he would approach P&O in an attempt to persuade the company to agree that the changes it is seeking to working practices be phased over three years as the union has requested. He said the ferry companies had a common interest in improving efficiency to compete with the Channel Tunnel.

For its part the NUS agreed to encourage its members at Sealink to return to normal working.

However P&O rejected Mr Sherwood's approach for talks.

Continued on Back Page

Union not yet beached. Page 7

## Sterling surges as trade deficit drops to £250m

By PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE GOVERNMENT yesterday reported a significant improvement in Britain's trade position last month but as a result it faced a further unwelcome rise in the pound's value.

Figures from the Department of Trade and Industry showed that the deficit on the current account of the balance of payments narrowed to £250m in March from a monthly average of £300m in January and February. Exports recovered strongly after a sharp dip at the start of the year, while imports showed an unexpected fall.

The underlying trend in exports appears to confirm that the pound's appreciation is hitting overseas sales. Excluding oil and erratic items, the volume of exports fell by 5½ per cent in the latest quarter to stand ½ per cent below the levels of a year ago.

Those figures, however, conflict with evidence from the Confederation of British Industry, which points to buoyant export delivery.

Imports also appear to have fallen in recent months in spite of continued buoyancy of demand in Britain's economy.

Excluding oil and erratic items, imports were 2½ per cent lower in the latest quarter than in the previous three months, but remained 13 per cent higher than in the same period a year ago.

In currency markets, the Bank's intervention to break sterling's rise was described as modest.

DTI officials said the effect of the changes had been to encourage recorded exports in December last year and to understand them in the following two months. The department said it was now satisfied that most of the distortions had subsided.

The Treasury, however, said it remained unconvinced that the £1.8bn current account deficit recorded in the first quarter represented the true trend. It said it believed the figures should be treated with extreme caution.

In spite of the better performance in March, there has still been a sharp deterioration in the trade position since mid-1987. The average monthly current account deficit of about £600m since January would imply a shortfall for the whole of this year of more than £7bn compared with the £1.7bn seen in 1987.

The Treasury said it was sticking to its Budget forecast of a £1.6bn deficit in 1988, but its efforts in recent weeks to break ster-

ling's rise may reflect private concern that it is being optimis-

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## WEEKEND FT goes to SCOTLAND

Weekend FT writers look at finance, travel, diversions, arts and How To Spend it north of the border

**HIGHLAND BATTLE**  
Some see Britain's northern wilderness as a refuge, others as a target for development. James Buxton examines the arguments

Page V

**FINANCE**  
The background and make-up of Scotland's thriving financial market

Pages IV-VIII

**TRAVEL**  
The delights of the Highlands, islands and other treasures

Pages VII, IX

**GLASGOW BLOOMS**  
Arthur Hellyer on the spectacular garden festival in Glasgow

Page X

**PROPERTY**  
Sporting estates and more home for your money

Page XII

## OVERSEAS NEWS

## Lagos airport closed by fuel price strikes

BY MICHAEL HOLMAN, AFRICA EDITOR

LAGOS international airport was closed by strikes yesterday as protests against the Nigerian Government's decision to increase fuel prices hit the city for a second successive day.

Union leaders, who have been defying a government ban on strikes and demonstrations, were due to meet government officials in an attempt to resolve a growing crisis which began in mid-April.

At least six people were killed in the northern city of Jos during violent protests against a 3 per cent increase in the price of fuel. Thousands of government workers in Kano State were dismissed when they stayed away from their offices, and the protest spread to Lagos on Thursday when bank and insurance staff went on strike.

Security in government offices in the city, including Doan Barracks, headquarters of the military government of President Ibrahim Babangida, was tightened yesterday when other groups of workers stayed at home.

At the airport, thousands of passengers were stranded as international and domestic flights were grounded. It was unclear whether the action was brought about by striking airport staff, or by fuel shortages caused by a strike of lorry drivers.

Many city residents were unable to get to work as bus drivers

## Moscow more strident as summit approaches

BY QUENTIN PEEL IN MOSCOW

THE SOVIET UNION yesterday stepped up its pre-summit propaganda with a new attack on US criticism of its human rights record, and a condemnation of Nato's plans to modernise its short-range nuclear arsenal.

A sharp increase in the temperature of Moscow's rhetoric was clearly dictated from the very top, coming after a debate on the state of pre-summit preparations at the weekly meeting of the politburo.

A formal statement issued after the meeting called on the US to "abandon the attempt to impose its views and values on others," echoing the fierce criticism of US "sermons" on human rights spelt out last week by Mr Mikhail Gorbachev when he met Mr George Shultz, the US Secretary of State.

Yesterday the Communist party newspaper, Pravda, and the official news agency, Tass, went further, warning that the US campaign on human rights, in particular, could sour the whole tone of the summit.

"Washington's policy of confrontation and interference in our internal affairs adds fuel to the fire of ideological bitterness and has a negative impact on Soviet-American dialogue," Pravda said.

## New Soviet mobile missile in service, claims US

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

THE REAGAN Administration yesterday claimed the Soviet Union had deployed its new 10-warhead SS-21 strategic missile on rail cars, a move which American arms control experts believe will make it more difficult to verify the proposed strategic arms reduction agreement.

There are also reports of new problems as Moscow and Washington try to work out the details of the verification provisions agreed as part of the INF treaty. Although US officials say the problems are technical, arms control experts have suggested yesterday that they represent another reason for questioning whether the articles of ratification which would finalise the INF

### DENSITRON INTERNATIONAL PLC Preliminary Announcement of Group Results for the Year ended 31 December 1987



Turnover

Operating Profit

Share of profits less losses of related companies

Interest payable, less receivable

Profit on ordinary activities before taxation

Tax on profit on ordinary activities

Profit on ordinary activities after taxation

Minority interest

Profit for the Financial Year

Dividends

Retained profit

Earnings per share

## US leading indicators up 0.8% in March

By Anthony Harris in Washington

THE US Commerce Department's index of leading indicators rose 0.8 per cent in March, according to preliminary estimates.

At the same time the index for the two previous months was revised upwards sharply to show a net rise of 0.6 per cent instead of a small fall of 0.2 per cent.

The new figure, and especially the revision, inspired some bullish forecasts for the real economy, but did nothing to remove current fears that strong activity and some acceleration of inflation will lead to a rise in interest rates. Biggs, the leading Washington bank, raised its prime lending rate from 8.1% to 8.4% per cent yesterday, but there was no immediate sign of such a move from the money centre banks.

"This is a clear sign that the economy will be stronger in the second half of the year," said Mr Allen Small, chief economist of the Boston Co. Mr William Griggs, of Griggs and Santow, said that the figures pointed to "continued healthy expansion" through the rest of the year.

Growth estimates for the current quarter have been revised upwards because of strong figures for investment goods and for motor output. A renewal of the agreement with the Fund, which lapsed in January, is vital to the Government's economic recovery programme.

Opposition to the fuel price increase jeopardises government efforts to reach agreement with the International Monetary Fund on economic policy.

A renewal of the agreement with the Fund, which lapsed in January, is vital to the Government's economic recovery programme.

Michelin workers, who

launched a strike two weeks ago, have been marching in the streets of Clermont-Ferrand, the home of Michelin, and disrupting production. Attempts by the local prefect to find a compromise this week seem to a certain

common thread between the resurgence of labour unrest and the strong performance of Mr Jean-Marie Le Pen's far-right National Front in last Sunday's first round of the presidential elections.

Both phenomena reflect broad

anxieties about job security and

unemployment in the country as

a whole, but especially in regions

facing industrial decline or radical

reconversion. These anxieties

have also helped fuel racist and

xenophobic sentiments which

have played into Mr Le Pen's hands.

The overriding concern over

jobs has also been reflected in

what many workers fear over

## OVERSEAS NEWS

## Thai premier calls general election for July 24

Thailand's Prime Minister, Prem Tinsulanonda, who was to have faced a parliamentary no-confidence vote next month, yesterday announced a general election for July 24. Reuters reports from Bangkok.

General Prem accepted resignations earlier yesterday from 16 cabinet ministers who said they were quitting to give him room for manoeuvre to bolster his support in advance of the no-confidence vote.

The dissolution of Parliament and new elections were announced after Gen Prem had an audience with King Bhumibol Adulyadej.

A royal decree read on radio stations said Gen Prem had told the king that since the last general election in July 1986, "many political parties have failed to function according to the norms

democratic process". Members of some political parties had refused to respect majority opinions or resolutions passed by their party colleagues, the king added.

This had "obstructed normal political processes under our democratic system and seriously impeded the country's administration and development".

Gen Prem said it was therefore thought appropriate to dissolve Parliament and call a general election.

The latest crisis was prompted by a parliamentary vote on Thursday in which 31 rebel members of the Democrat Party, the biggest group in the four-party ruling coalition, voted against the Government.

The issue had been a sensitive one - whether to accede to pressure from the US and tighten

controls on the counterfeiting of books, cassettes, and videos. Washington threatened to retaliate by withdrawing trade privilages by their party colleagues, the king added.

In the first reading of the bill in November, Democrat Party members had also rebelled, threatening to bring down the Government.

Gen Prem said it was therefore thought appropriate to dissolve Parliament and call a general election.

The warning came following further controversy over an alleged Marxist plot which in May and June last year led to the arrest of 22 people under the Internal Security Act. The act allows for indefinite detention without trial. All but one were released by December because the Government was satisfied that they were no longer a security threat.

However, on Monday last week, nine of the former detainees issued a press statement denying they were involved in a conspiracy and claiming that they had been maltreated during the initial stages of their interrogation. Eight of the nine were promptly re-arrested, together with a lawyer who had been acting for them.

The Government has now produced sworn statutory declarations by the detainees in which they partially or fully withdraw their allegations. These were immediately rejected by the family of those in detention.

In a statement yesterday, they said: "We reject the statutory declarations based on the fact that our loved ones were, for 10 days, and are still, at the mercy of their interrogators and denied access to family and legal counsel."

"We maintain they are innocent and demand their immediate and unconditional release."

The Government said that its plan to bold a commission of inquiry into the allegations of the detainees had been dropped as a result of their statutory declarations. It added that anyone seeking subsequently to give a different version of a statutory declaration was liable to criminal prosecution.

However, the Government does not believe it has yet discovered what it described as the prime movers of a plot to discredit it in what may be an election year.

The elections to the country's new District Councils were boycotted by 12 of the country's opposition parties, including the Sri Lanka Freedom Party, they had insisted on national elections first.

A policeman and a voter were killed and a railway station was burned to the ground during Thursday's polling, Colombo police said.

The US is likely to oppose such a move, as are Japan and a number of other lending members, who question what Moscow could bring to the institution.

## Japan, US patch rift in ADB

BY RICHARD GOURLAY IN MANILA

JAPAN and the US yesterday papered over differences inside the Asian Development Bank, the region's multilateral aid institution, concerning Tokyo's request to increase its voting share, in an effort to concentrate on the bank's chronic problem of stagflation lending.

Separately, official observers from the Soviet Union confirmed that Moscow is seeking membership of the 47-member bank - and has received a diplomatically cool reception - while Taiwan continued to protest against the name "Taipei, China", by which the ADB has chosen to call it in its eagerness to allow both "China" membership.

For the first time, Japan formally asked for a special increase in capital to bring its voting share back to the level it enjoyed before China joined in 1986.

But in a significant climb-down from its position a year ago, Japan dropped its demand that it should have a bigger vote than

lending" (conditional on the dismantling of a borrower's economic policies that distort efficient development), more emphasis on private-sector development and more technical assistance grants so that borrowers can create more lending opportunities.

The proposals brought Japan broadly in line with the demands made by a number of other lenders, disillusioned by failing rates of loan disbursement.

The Soviet Union through its observers, said it was ready to join the ADB. However, it said it would apply only after studying how much it would have to contribute as a donor-member and, more importantly, how an application would be received by other members.

The US is likely to oppose such a move, as are Japan and a number of other lending members, who question what Moscow could bring to the institution.

## Roh to overhaul government

### Two die as Jayawardene wins councils majority

PRESIDENT Roh Tae Woo plans a major overhaul of his government and party, which lost its parliamentary majority in a surprise election setback. His aides said yesterday. AP reports from Seoul.

President Roh plans to replace several senior cabinet and party officials to avert a no-confidence vote in the election and to give the administration a more moderate image, the aides said.

The changes in the Government and the Democratic Justice Party are expected to come as early as next week, they added.

One aide said the reorganisation would be "extensive", affecting presidential advisers and cabinet posts.

New national elections are scheduled for December, and presidential polls must be held before February 1989.

The elections to the country's new District Councils were boycotted by 12 of the country's opposition parties, including the Sri Lanka Freedom Party, they had insisted on national elections first.

A policeman and a voter were killed and a railway station was burned to the ground during Thursday's polling, Colombo police said.

The US said discussion of a copyright agreement had been disappointing, and accused Taiwan of lagging in protecting intellectual property rights.

Indo-Pakistan border is the front line of a new, undeclared clash

## Secret war of the 'killing zones'

BY JOHN ELLIOTT, NEAR AJNALA, IN THE PUNJAB



President Zia: 'Jihad'

and by using its Pakistan Ranger border guards and a Field Intelligence Unit to help the smugglers, largely Pakistani as well as Sikh, to cross the border.

Pakistan admits two-way smuggling of gold, heroin, whisky and guns is taking place - as it has done ever since the erratic border line was first drawn by the Radcliffe boundary commission when the two countries became independent and were partitioned in 1947.

Pakistan resolutely denies that it or its agencies are actively involved. India is finding it difficult to produce concrete proof of anything more than smuggling, but it accuses Pakistan of brainwashing, training and sending back to India at least 450 extremists in the past four years. It says Pakistan encouraged the most extreme Khalistani groups to form an umbrella Panthic Committee, and that if allows extremist leaders to meet and plan tactics in Pakistan.

In the past few months, sophisticated AK47 assault rifles have been obtained in large numbers by the Sikh extremists, along with a small number of RPG rocket launchers. According to Indian intelligence officers, most of the weapons have been supplied from the Afghan jihadis.

Indian security officers claim

Government claims have direct links with the Pakistani Government.

There has been a rapid escalation of killings in the Punjab during April, when the extremists have successfully disrupted a peace initiative launched two months ago by Mr Rajiv Gandhi, India's Prime Minister. A total of 549 people were killed in the first three months of separate incidents.

The groups were the Khalistani Commando Force and the Shabhranwali Tiger Force of Khalistan, which the Indian

Till recently, India has

assumed that Pakistan has merely been trying to destabilise Punjab by helping the Khalistani Sikhs extremists. The AK47s have been used to escalate violence in recent months, enabling extremist groups to undermine a peace initiative for the Punjab.

Now, however, there is a suspicion at top levels in the Indian government, so far only whispered, that Pakistan may have bigger plans to help build up a major insurgency in the Punjab which would enable the extremists, helped by Pakistan infiltrators, to block the Indian army's only supply routes to the sensitive northern state of Jammu and Kashmir which is disputed territory between the two countries.

Following remarks made recently by President Zia ul-Haq of Pakistan, India expects a major attack this summer by Pakistan on the remote 20,000 Kashmir glacier of Siachen.

President Zia was reported earlier this year to have called this battle, which has been continuing intermittently for four years, a jihad, or holy war, which in a Muslim country such as Pakistan is a word that cannot be used lightly.

If a major Siachen battle were to develop, the ability of Sikh extremists to disrupt India's military supply routes through Punjab could become crucial.

## G.B.C. Capital Ltd

The net asset value at 31 March 1988 was £1.00.

The net asset value after confidante Capital Gains Tax was £1.00.

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The net asset value at 31 March 1988 was £1

## UK NEWS

## Jaguar agrees £14m deal with Chausson of France

BY JOHN GRIFFITHS

JAGUAR CARS plans in shun UK industry in favour of a French connection for developing much of its product and production engineering.

The company has signed a £14m body tooling order with Chausson, a French engineering consultancy group, and says it hopes the order will be the start of long-term co-operation with Chausson.

The arrangement is expected in cover Jaguar's requirements "into the next century" for body design, prototype development, tooling design and manufacture, process engineering and quality control.

Jaguar said last night it had sought to meet its requirements in the UK, but that had been impossible.

"We go through a rigorous process of selection, and look in our immediate environment as a matter of course," it said. "But our decisions are motivated solely by obtaining the highest quality product and Chausson stood out."

The decision is likely to be seen as a blow to the prestige of the UK's engineering consultancy sector, which includes Group Lotus, International Automotive Design, March Engineering, Cosworth and Bavel Whiting.

The body tooling order is for a saloon car project. Jaguar is known to be developing derivatives of its XJ-S saloon as well as an all-new sports car, the F-Type, planned for 1992-93.

## Lucas battery link with Yuasa

BY RICHARD TOWINKS, MIDLANDS CORRESPONDENT

LUCAS INDUSTRIES automotive and aerospace components group is to set up a venture with Yuasa, the Japanese battery maker, to run Lucas Electrical's car-battery plant in Birmingham.

The deal is expected in completed by July. It will give Yuasa, a world-leading battery company, a 50 per cent stake in the plant, for the UK, to be the first to be disclosed.

The move is in a series of decisions marking Lucas's gradual withdrawal from low-margin mature technologies into components with higher added value.

This year it completed its withdrawal from the automotive

battery business by selling its 40 per cent stake in Fausto Corrini, the Italian car-lighting group, to Fiat, the Italian car maker.

Lucas's car-battery plant at Sparkhill, Birmingham, employs 2,900. Heavy losses in the early 1980s brought severe cuts in the workforce and at one time the plant's future was in doubt. It is now believed to be profitable.

Yuasa has a battery plant in Ebbs Vale, South Wales. It also operates a battery-making venture with Lucas in Argentina. Lucas yesterday said the Birmingham deal would be a logical extension of that arrangement.

## Aveling Barford to cut 300 jobs

BY NICK GARNETT

AVELING BARFORD, the earth-moving machinery maker at Grantham, Lincoln, is shedding 300 jobs, a third of its workforce, in a reorganisation.

The company, bought from HI. in 1983 by US and Singaporean investors, employed 1,100 people in 1985. After a tough year in 1986 it started shedding staff.

Its range includes dump trucks, wheel-loaders and compactors.

Yesterday it said the latest cuts, phased over the next five months, would be mainly among

white-collar staff. The cut reflected unnecessary manning built under HI. ownership. Methods instituted by HI. had become "increasingly inappropriate."

That is believed to refer to the design and finance departments as well as marketing, for which Aveling now has better staff support overseas.

The company's total employment will fall to 800 after the latest cuts. It is believed to have produced just over 500 vehicles last year and indicated that output would be higher this year.

In February, Aveling announced a selling and production deal on wheel-loaders and dump trucks with Kawasaki Heavy Industries of Japan.

• Sauer-Sundstrand, the US-West German engineering group, is rationalising UK production.

It is selling its Lincoln-based hydraulic-motor business to British Engines which will transfer the business to BE's plant in Newcastle upon Tyne and close the Lincoln facility, leading to a net loss of 65 jobs in Lincoln.

A.H. Hermann on the legal implications of the Gibraltar documentary

## Outside the reach of contempt law

THERE IS little doubt that the screening on Thursday night of the Thames Television documentary Death on the Rock - as well as most of the newspaper reports on the killing in Gibraltar of three suspected IRA bombers by men believed to be SAS officers - could be held to be in contempt of a coroner's court in the UK.

However, the inquest on the three deaths is to be held in Gibraltar, outside the reach of the UK law of contempt. The authorities seem to have concluded correctly that if persuasion fails, as it has, they will have no legal means of stopping such publication in any media.

One can argue, as the Government seems to, that in the absence of a legal duty, the media should feel honour-bound to exercise the same reticence which the law would oblige them to adopt if the inquest were held in the UK.

There is some force in this argument, as the outcome of the inquest is of great significance not only for British and Irish politics but also for the possibility of criminal prosecution in the UK, should it be decided that the killings were unlawful.

If the inquest were held in the UK, the screening on television of

the Irish Government yesterday joined the row over the television documentary about last month's killings, writes Kieran Cooke.

It said it was deeply concerned that three unarmed Irish people suspected of being involved in a serious crime should have been shot when it appears from reports they could have been arrested.

The Government condemned all forms of violence and recognised the necessity for the security forces to take measures to combat terrorism,

but "the rule of law must be paramount in a civilised society if the state is to retain its moral authority," a statement said.

Mrs Margaret Thatcher yesterday made clear her anger at the decision by Thames Television to go ahead with transmission of the programme.

She said: "Trial by TV or guilt by association is the day that freedom dies."

In Gibraltar, a judge banned local media from reporting any evidence on the March killings until the inquest was over.

The statements of alleged or potential witnesses would fall under the provisions prohibiting publication of anything capable of distorting the course of justice by influencing the jury.

The testimony, presented in isolation from other evidence, in the absence of examination and cross-examination, is considered capable of fixing in the mind of the jury certain preconceptions.

The 1981 Contempt of Court Act, aimed at bringing UK law in line with the requirements of the European Convention of Human Rights, introduced the concept of "strict liability" for publications creating a "substantial risk that

the course of justice in the proceedings in question will be seriously impeded or prejudiced."

That means that such conduct may be treated as contempt of court even if there was no intention to interfere with the course of justice. In such cases severe sanctions can hit editors and publishers - or producers - unless they can prove that at the time of publication they had no reason to suspect that proceedings were under way.

Those considerations would become relevant if proceedings connected with the Gibraltar events were to be initiated in the

UK, a post he will retain.

### APPOINTMENTS

## Courage managing director

Mr Michael Foster becomes managing director of COURAGE on

May 1. He succeeds Mr Peter Barret

ells, who is also chief executive

of the Elders Brewing Group. Mr

Barrett will concentrate on the

development and implementation

of strategy for the Elders world-

wide brewing business. This

currently involves Courage in the

UK, Carlton United in Australia,

and Carling O'Keefe in Canada.

Courage became part of the

Elders UK Group in 1986. Mr

Foster joined Courage in 1983 from

Colgate Palmolive. For the past

two years he has been managing

director of the company's trading

arm, a post he will retain.

★

Mr Bob Ashley has been appointed a non-executive director of BODIME. He was vice president and general manager of

TRW Communications Group.

★

Mr John C. Conacher has been

appointed divisional chief execu-

tive of the American division of

HALMA. He is president of

the group's American holding com-

pany, Halma Holdings Inc.

★

Mr John Lear has been promoted

to operations director of RANK

## Pirelli to invest £100m as profits rise

By John Grimshaw

PIRELLI, the Italian tyre and cables group, is to invest a further £100m in its UK subsidiary over the next five years.

Mr Sandro Veronesi, managing director, said yesterday that the bulk of the investment would be made in Pirelli UK's tyre operations, which are the most efficient of all Pirelli's plants worldwide.

Pirelli's disclosure, marking another stage in the recovery of the UK tyre industry over the past two years, comes 24 hours after Michelin, the French tyre group, announced plans to invest £15m in its tyre operations in Northern Ireland to increase output by 15 per cent.

Mr Veronesi's remarks coincided with Pirelli's UK chief executive disclosing a 32.5 per cent rise in pre-tax profits on its tyre operations, from £17.7m to £20.5m.

Mr Veronesi, who took over Pirelli's UK operations when their losses had reached a peak of £15.5m in 1982, said he expected tyre profits to rise even more sharply this year than during 1987.

However, Pirelli General, the UK cables subsidiary, saw its pre-tax profits fall to £7.85m from £9.35m and reduced profits in other activities saw the UK group's profit before tax and exceptional items reduced to £18.2m from £19.2m.

Mr Veronesi said the investment was aimed at improving productivity and quality as well as expanding Pirelli's current UK output of about 8.5m car and truck tyres a year, about 40 per cent of which are exported.

The £100m figure compares with total investment of about £35m over the past five years.

Pirelli employs 7,500 people in the UK and about 60 tyre-making jobs have been added in the past year.

The company claims a 21 in 21 per cent share of the 11m-tires-a-year original equipment car tyre market in the UK, and a 13 per cent share of the 11m-tires-a-year replacement sector. It claims a 4 in 5 per cent share of the original tyre market for trucks.

M&G will market two mortgage products, funded by Credit Agricole, through the 2,000 intermediaries with whom it does regular business, as well as through other firms such as mortgage brokers, lawyers and accountants.

The interest rate on the standard repayment mortgage is 9.5 per cent, as with most other lenders.

The flexible mortgage, which allows borrowers to repay repayments within certain boundaries, attracts interest at 10.1 per cent.

Mr Kingsmill said Credit Agricole's next move in the UK was likely to be marketing further mortgage products through other agents. It may also launch a credit card, although no particular arrangements are yet in place.

Another exception to the strict liability rule is the exemption of media publication undertaken in good faith as part of discussion of public affairs, if the risk of prejudice to legal proceedings is merely incidental to the discussion.

It is important to note that previously a publication could be in contempt even as soon as proceedings became "pending or imminent". The 1981 Act is more specific in respect of strict liability. This applies only when a person was charged, arrested, or a warrant

for arrest was issued.

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## Michael Dixon on the findings of an inquiry into grammar teaching

## Speaking the Kingman's English

ALL CHILDREN in the UK have a right to be able to use standard English, regardless of their racial or regional origins, and schools have a duty to enable them to do so, says the Kingman Committee on the teaching of English in a report published yesterday.

The report states: "... we must spend time in English classes examining words and how each contributes to the meaning of a sentence. We need to get pupils into situations where they are bound to reflect upon the complex associations of words and meanings and to value words not just as memory, the small changes passed between individuals in a working group led by Professor Brian Cox, pro-vice-chancellor of Manchester University, a member of the Kingman Committee. Prof Cox was one of the editors of the "Black Papers" on education published in the early 1970s, which spearheaded criticism of the previous decade's vogue for "permissive" teaching methods.

Mr Baker said the recommendations were to be developed in detail by a working group led by

Professor Brian Cox, pro-vice-chancellor of Manchester University, a member of the Kingman Committee. Prof Cox was one of the editors of the "Black Papers" on education published in the early 1970s, which spearheaded criticism of the previous decade's vogue for "permissive" teaching methods.

Mr Baker said the report's prime conclusion is that primary and secondary schools need to pay more attention to the standard version, and to ensure that pupils understand and are skilled in the rules for its use. Lessons should cover speaking and listening as well as reading and writing, the document says.

It specifies various levels of skill and understanding which children should have reached by the ages of seven, 11 and 16, and recommends national tests at each of those ages to see the skills pupils have mastered.

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## UK NEWS - EMPLOYMENT

## Willis condemns market share trade unionism

By PHILIP BASSETT, LABOUR EDITOR

MARKET SHARE trade unionism, with individual unions competing directly with each other for a larger share of a dwindling overall union membership, cannot be the way forward for unions in Britain, Mr Norman Willis, TUC general secretary, said yesterday.

Mr Willis' remarks, to the Wales TUC meeting in Llandudno, are a direct rebuttal of the increasingly sharp inter-union conflicts for members which were seen at their most acute in the Ford Dundee affair.

The TGWU transport and ABU engineering workers' unions, were the two unions principally involved in the row over Ford's single-union deal with the ABU for its proposed plant at Dundee. The row led Ford eventually to abandon its plans for the plant. The two unions agreed privately not to raise the Dundee issue at this week's conference.

Mr Willis said that Dundee starkly illustrated the problems facing the TUC, but said he wanted to reach beyond the "heroes and villains" of Dundee to

what he said was the widespread feeling that the unions should do something to ensure that they never again find themselves in such a position.

He was speaking in advance of a key meeting next month of the TUC's review body on union behaviour and such issues as single-union deals.

He said employers could play one union off against another at the expense of the workforce. Inter-union competition could be healthy, acting as a spur to recruitment and the development of services for members, but the unions had to find a process to regulate excess competition between themselves.

He said: "Competition for members can turn from being a healthy force for growth into an ugly disease eating into the well-being of the movement as a whole, if the cynical values of the unregulated market-place take hold."

In a reference to the beauty contests before employers to obtain single-union agreements,

he said that ruthless competitive underbidding, on standards or conditions, setting one union against another, would weaken the trade union movement as a whole.

Competition could deliberately magnify differences at the expense of common purpose: "Market share trade unionism, with individual unions only motivated by getting a bigger share of an ever-diminishing total membership, is not and cannot be the way forward for the movement as a whole."

Warning that unions had to move into the "heartlands of non-unionism", Mr Willis said unions had to be careful that they did not become marginalised.

Sharp criticism of the Government's £1.4bn Employment Training scheme for the adult unemployed was voiced at the Wales TUC yesterday, but because of forthcoming meetings with ministers on the scheme the conference held back from agreeing not to co-operate with the scheme.

## Lloyds Bank to pay rejected 7% rise

By OUR LABOUR STAFF

LLOYDS BANK is to increase the salaries of its clerical staff by 7 per cent this month despite the rejection of the offer by one of the unions it recognises. The bank will continue negotiations over the settlement.

Lloyd's said yesterday that the payment of the increase did not mean that a settlement was being

imposed in the way that a 5 per cent deal was imposed last year in three major clearing banks – a move which led to industrial action.

It said negotiations would continue with its in-house union. The union's members balloted against acceptance of the offer after leaders argued that it did

not compare favourably with settlements at Barclays and National Westminster.

The settlement was accepted by 13,000 members of the Banking, Insurance and Finance Union, but rejected by colleagues in the Lloyds Bank Group Staff Union.

## Permanent deals for Weetabix casual staff

By JOHN GAPPER, LABOUR STAFF

WEETABIX, the breakfast cereal manufacturer, has started hiring seasonal staff on permanent rather than temporary contracts in an effort to attract a sufficient number of the right quality in an area of below-average unemployment.

The move, which has been welcomed by Usdaw, the shopworkers' union, runs against trends within the labour market towards greater flexibility of staff and an increased use by many companies of temporary and contract labour.

Weetabix has hired about 50 process workers on three-month contracts for the summer over the past five years, but this year decided to offer the same number permanent positions at its factory in Kettering, Northants.

Mr Terry Briggs, managing and resources director, said the company had decided that it was worth hiring staff seasonally on permanent contracts because it had previously taken on most of its temporary staff at the end of the contracts.

He said the rate of unemployment in the area was about 8 per cent, and the company had found it difficult to attract high quality staff to cover seasonal shortages when offering only temporary contracts.

Weetabix, which recognises Usdaw, took the decision independently of the union. It was welcomed during Usdaw's annual meeting last week as an example of an employer providing better terms and conditions for staff.

## Shortfall in scientific skills 'not general'

By CHARLES LEADBEATER, LABOUR CORRESPONDENT

THE SHORTFALL in the numbers of scientists and professional engineers is well below that of shortages in the 1970s, and most shortages are specific to particular groups, companies and locations, according to a report published yesterday.

The report by Income Data Services, into pay, recruitment, training and skill shortages among engineers and scientists, says most companies face particular difficulties, which are not necessarily generally experienced.

The most frequently mentioned shortages are of electronic and electrical engineers, manufacturing systems engineers and designers, with skills specific to particular industries.

These engineers are often vital to a company's future development.

Employers in the South-east report more difficulties than those elsewhere.

The report says this is inextricably linked to the high cost of housing in the area, which creates an enormous obstacle to recruitment from outside the region.

The supply of young trainees has been constrained by the declining number of 18-year-olds, a shortage of teachers in key 'A' level subjects, too few students being attracted into engineering courses, and "poaching" of engineering graduates by unrelated industries such as financial services.

There are no generalised shortages among scientists, but intense competition for specialists, such as those in fibre optics or biochemistry.

The report identifies several responses companies have adopted to deal with these shortages.

Salary structures have been changed to give employers greater room for manoeuvre, particularly by increasing maximum scale points, to allow specialists to be paid more.

There has also been a move to market premium and merit related pay, to allow companies to recruit and retain key staff without disrupting established salary structures.

Among longer term strategies there is a growing trend for companies to form links with polytechnics and universities to influence courses and to offer sponsorship to students.

The report says there is some evidence that more employers are investing more heavily in training to update and upgrade the skills of their workforce.

The report is that one underlying problem is that for professional engineers and scientists compares unfavourably with other managerial groups.

Government figures show for instance that marketing and sales managers are on average paid £269 per week, whereas engineers and scientists are paid about £287 per week.

*IDS Study 408, Engineers and Scientists Pay, is available from IDS, 133 St John Street, London EC1V 4LS, by subscription.*

## BBC graduate engineers scheme 'good solution'

By CHARLES LEADBEATER

THE BBC's strategy of turning arts graduates into engineers, which has entered its third year, could be an outstanding example of how companies could combat skill shortages among key groups of technical staff, according to a report published yesterday.

The report on the scheme by Income Data Services, the industrial relations research company, says the scheme seems to have been successful in providing the corporation with a much-needed alternative source of engineers.

The corporation receives more than 1,000 applications a year from arts graduates for special engineering training conversion courses.

The basic requirements the

corporation needs are 'O' levels in mathematics, physics and English language. In addition it examines four factors.

• The applicants' personality, in particular whether they have an inquiring mind. Applicants are also screened for their ability to take and give orders.

• The potential trainees have to show a high level of motivation; the corporation is particularly interested in trainees who feel they made the wrong choice of course at university.

• Technical awareness has to be displayed through hobbies or other interests.

• The trainee has to show strong evidence of being a rapid learner.

## Equal pay laws 'leading to revised pay structures'

By JOHN GAPPER

LEGISLATION guaranteeing equal pay for work of equal value is "slowly but increasingly" leading to negotiations on revised pay structures, and the introduction of job evaluation schemes, according to a recent report.

Despite the backlog of claims which have built up as judgments are awaited in test cases, the report by Industrial Relations Services, a pay research group, finds that very few claims are being settled out of court.

It says some unions are likely to use mass tribunal applications as back-up weapons in attempts to negotiate revised pay structures, following the example of claims by NHS speech therapists.

Equal value principles are said to have been taken into account in reviewing pay structures.

The report says a new job evaluation scheme was jointly devised by management and union representatives at the charity Save The Children after the system devised by Hay-MSL was deemed unsuitable.

New pay structure and job evaluation schemes are still in their early stages. A new grading structure is to be implemented in the lace-making industry later this year following a job evaluation exercise.

*Pay and Benefits Bulletin 207: Industrial Relations Services, 18-20 Highbury Place, London N5 1QP; By subscription.*

# ICI - keeping up the momentum of change.

### Extracts from ICI Chairman Denys Henderson's address at the Annual General Meeting of Imperial Chemical Industries PLC on 29th April 1988

As part of the re-shaping process, we withdrew from petrochemicals in the USA. Hence, we are now out of heavy chemicals manufacture with no exposure to any cyclical downturn in future years in those commodity products in the USA.

To reinforce our position as one of the largest seed companies in the world, we acquired the European Sugar Beet Seeds business, SES, in Belgium and we also bought the cereal breeding assets of the UK seed company, Miln Masters.

In Japan, where we have major ambitions, we have been expanding the base of our operations. In early autumn we opened a new, 100% owned pharmaceuticals plant, an Agrochemicals Field Station and a Technical Centre which will bring us closer to our Japanese customers.

#### Global strategies.

By any standards, the 1987 list is a very considerable series of initiatives. The businesses we have acquired have all been identified as part of clear global strategies. They have a close fit with our science base and we shall add value to them with our worldwide production and marketing skills. Indeed, both they and the investments we have made, are integral parts of our strategy to re-shape ICI's business. And we are still keeping up that momentum.

#### The economic climate.

Clearly, there are a number of problems with some aspects of the current economic scene. For example, prospects for the US economy in a year of Presidential Election, the impact of exchange rate volatility and the continuing nervousness of World Financial Markets in the aftermath of last October's crash.

We feel strongly that at current levels our shares are undervalued, and there are well-regarded analysts, both in London and New York, who share that point of view.

Although there may be uncertainties about the US economy we do not expect any major immediate impact in consequence. We now generate sales in the USA at the annual rate of \$3.5bn and are extremely well placed to participate in future growth. ICI must be part of this enormous, dynamic and sophisticated market.

Any international business or major exporter must prefer stable exchange rates and a competitive pound. Sudden shifts in currency values create uncertainty and can distort what is actually happening to the business in the countries where we manufacture and sell. Nevertheless, volatile exchange rates are part of the real world in which we have to compete – but if they temporarily fluctuate it does not imply that our business strategies require immediate alteration.

#### First quarter results – 1988.

As we progress through 1988, industrial production is still advancing in the major economies. The UK is healthier than it has been for years with good growth, relatively low inflation and greater commitment to enterprise and economic success.

Even if the stock markets appear more than usually uncertain, the business world does not appear to reflect that in its current rate of activity. In our own case, the first quarter results have got us off to a good start. I am particularly encouraged by an excellent contribution from Stauffer. However, there is still a long way to go in a year of growing economic uncertainty. Demand for ICI products is currently reasonably firm but I expect considerable attention to continue to focus on the strength of sterling and its inevitable impact on the competitiveness of UK exports.

#### The strategic outlook.

We are taking decisions today which our successors will inherit. In the 1960's, the ICI Board took a clear decision to move into Europe, where today we have sales of £2.7bn. A similar decision was taken about growth in the USA in the early 70's with great benefits today. And now we must strive for better growth in the fast-expanding Asia/Pacific region.

Overall, the strategic outlook for ICI is excellent because we are already well established in the world's major markets. In round terms, 25% of our business is in the UK, 25% in Continental Europe, 27% in North America and 23% in other parts of the world.

The scale of our international development is necessary and inevitable but the UK is the heartland of our research and technological expertise and a high proportion of our productive assets are located here. There is no question but that the skill base of our British operations is of immense importance to the Group now and for the future.

Additionally, we are financially strong and we have taken a prudent line on borrowings to fund our acquisition programme. At the time of the Stauffer acquisition, there was a suggestion that we might be stretching ourselves unduly. Well, we are always prepared to extend temporarily our gearing for a major acquisition, but not to acquire at all costs and not if we feel the ICI balance sheet in the longer term would not be strong. In making that judgement, we also need to retain the ability to invest in our strong existing businesses with good organic growth prospects, and in new developments for the future.

Much depends on the quality of ICI employees and I firmly believe that our track record here speaks for itself, attracting the best people in the UK and indeed around the world.

The combination of proven success in the market place today, continued activity to prepare for success tomorrow, and clearly defined international strategies, makes ICI a *world class* business for all seasons. Whatever the short term perturbations, quality will undoubtedly prevail.



*World Class*

## FINANCIAL TIMES

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Saturday April 30 1988

## A bad bill on US trade

THE TRADE BILL passed by the US Senate this week is a bad piece of legislation. Although it is considerably more moderate than at first conceived, the best course now would be for the President to veto the bill, for the veto to be upheld and for the new Congress to return to the subject after the November elections.

The bill formalises the introduction into US trade policy of systematic procedures to investigate the trade practices of other countries and to force the opening of markets under the threat of sanctions. Thus there would be a strengthening of bilateral pressure from the US which, however successful it might be in the short term, would be dangerously counter-productive in the long term. It would increase anti-Americanism and make liberalisation appear as a costly concession to others, rather than as part of a multilateral trading system from which all countries benefit.

The bill targets countries in strong trade surplus such as Japan, industries such as telecommunications, and specific areas of trade policy such as government procurement and the protection of intellectual property rights. If it becomes law, it is bound to heighten tensions in the trading system as a whole.

To many of the Congressmen who wrote the bill and to the businessmen who have been lobbying for its criticism such as this seems misplaced. They point out that the bill is not protectionist in the sense of restraining exports. It contains little, if anything, that is a prima facie infringement of the General Agreement on Tariffs and Trade. The sanctions it proposes are still hedged around with exemptions and waivers, even though the leeway available to the Administration in this respect is less than under present law.

These are not, however, arguments of particular comfort to America's trading partners. They are rightly worried that the US is assuming a unilateral right to decide when and how trade agreements have been broken and that the chances of their being able to avoid US sanctions are smaller than before.

It may be that some US actions under the bill will eventually be challenged successfully in the Gatt, an institution that traditionally scrutinises the implementation of trade law rather than its actual content. Meanwhile the policy mandated by the legislation is misguided because it tends to diminish rather than enhance the importance of the Gatt as an organisation dedicated to the resolution of trade problems through multilateral co-operation.

It could also rebound against

the US by lessening the chances of international economic co-operation. Some trading powers may feel tempted to make matters worse by seeking to apply the same medicine to the US. The European Community, for example, already keeps a long list of what it regards as US impediments to trade.

The Reagan Administration has promised to veto the legislation not because it particularly dislikes the provisions of trade but because it is a clause "hardly the most damaging element in the bill" — requiring all firms the smallest countries to give 60-days advance warning of impending plant closures and lay-offs. The House of Representatives should be easily able to override such a veto, but it could be sustained in the Senate unless four of the 36 senators who voted against the bill on Wednesday can be persuaded to change their minds.

The prospect that the bill might be killed as a result of the plane closing provision is of little consolation to the international community. The risk is that some of the truly protectionist measures originally to the bill might be reinstated in subsequent debates on trade legislation.

The choice between allowing the bill to proceed in something like its present form and starting afresh next year is by no means clear-cut. There are those who argue that the bill will not do much damage to trade beyond that inherent in existing US law, that it will allow Congressmen to claim to have "done something" about trade and that the breathing space thus created will give the exchange rate shifts time to work through. Against that, the bill will last long after the present trade crisis has passed, and it comes at a time when there is supposed to be a standstill on protection among the parties to the Uruguay Round of trade negotiations.

The Trade Bill represents a perfect expression of the US view that if things are going badly it must be because others are acting unfairly. There is no evidence that the US trade deficit is caused by unfair practices abroad. It is true that the US needs to have negotiating authority for the Uruguay Round and that this bill provides it. But it might not be a bad thing if that authority had to be sought by the next administration, so committing it to the negotiations, the deal would not be very good.

In short, even though the bill is not nearly as bad as it might have been and in doubt the rest of the world could live with it, it is still objectionable in many respects and potentially damaging to the world trading system.

Q: IS THE new regulatory structure fully in place?

A: No, there are lots of loose ends. Many rules will come into effect only over the next eight months and one of the most radical — the disclosure of commissions by life insurance companies — will take effect only in January, 1990.

Also, nearly half the investment businesses that have applied for authorisation by a self-regulatory organisation (SRO) have not yet had their applications fully processed and have been given the status of interim authorisation. The process of weeding out the more dubious, crooked or incompetent investment firms has barely begun. Even those firms which have been rejected — in secret — for failing the "fit and proper" test will be allowed to continue as interim authorised firms until the appeals procedure has been exhausted, which may not be before the end of the year.

Q: How great are the risks for the small investor during this transitional period?

A: The investor should not assume when dealing with an interim-authorised firm that the protection afforded by the system is substantially greater than it was under the old regime. In some respects the risks might be greater. Some firms which fail regulation may try to extract as much money as possible from their clients before they are shut down. Although the Securities and Investments Board, the chief regulatory body, has far-reaching powers of intervention against such firms, some of the smaller miscreants may not be spotted in time.

Another risk is to investors who have bought non-Stock Exchange listed shares from fringe securities firms which may now be closed down, causing the informal markets in those shares to dry up. If the underlying companies are profitable, investors should still be able to find buyers for their shares, albeit with greater difficulty. The real risk is that the shares will turn out to be almost worthless.

The greatest embarrassment for the Government and regulators will come if a firm of any significant size becomes insolvent between now and August when the investors' compensation scheme is due to come into effect. Until then, the clients of such firms are at risk of losing their money.

Q: To whom should the investor turn if he suspects sharp practice or has a complaint?

A: If the investor is at all suspicious of a firm, he should consult the SIB's on-line register of authorised firms before parting with any money, either by contacting the SIB directly or by using the Prezel screen. The investor should check whether the firm has full authorisation to conduct the relevant line of business.

If the investor has a complaint about an authorised firm, he should go first to the firm itself and then to the firm's SRO. The investor can allow the SRO to investigate the complaint itself or he can submit it to the independent ombudsman or arbitrator attached to the SRO.

Q: Aren't all the regulations and procedures too long and complicated for anyone to understand, let alone the small investor?

A: Fortunately the small investor does not need to understand the detailed rulebooks of the SROs, any more than he needs to master the technicalities of the Theft Act to know when he has been robbed. The SIB has published a booklet, available free of charge on request, called Investors' Rights under the Financial Services Act, which explains simply the main rules and structure of the new system.

Q: Is the private investor and saver going to end up paying a lot more for

Clive Wolman answers questions on Britain's new investor protection system which came into force yesterday



## Still risks despite the rule books

financial services to cover the heavy costs of running the new system?

A: No one has been able to judge how much the new system is going to cost. Many of the changes, particularly those related to structures designed to avoid conflicts of interest and to record keeping, accounting systems and capital controls, would — or should — have been introduced anyway for sound commercial reasons. It is also difficult to predict now whether the new system will impose any further costs by restricting competition or product innovation. The most widely accepted estimate seems to be at least £100m per year in direct costs. But this is only a small amount of money, compared for example, with the £15bn a year that is paid in life insurance premiums.

It will be difficult at least at present for most firms to pass on any additional costs to the customer. Price rises are not a wise commercial policy to follow in a period when most of the financial services industry is suffering from chronic over-capacity. The new tougher rules on disclosure, particularly in the field of unit trusts and life insurance, should have the effect of making customers more price sensitive and more able to detect previously covert methods of charging.

Q: Will the costs of the new system end up driving many small firms out of business, particularly the smaller stockbrokers and insurance brokers?

Q: Do such developments mean a reduction in the competition between investment firms?

A: Not necessarily. The new regulations will alter the basis on which firms compete. But if they succeed in enhancing the ability of small investors to compare the services of different firms and their awareness of the different investment possibilities, it may strengthen and intensify competition.

Greater concentration in the financial advice industry may in any case prove a positive development. The banks and building societies, with their reputations at stake, should provide a better guarantee of quality than many, but by no means all, of the smaller firms. Such firms' advice to clients has long been characterised by their lack of understanding of many investment media. It has also been driven, in many cases, by the large commissions paid for finding a way of inserting a life insurance policy into every piece of financial planning.

One consequence of the new rules, in particular the provisions for commissions disclosure, will be to encourage the development of professional fee-based financial advice by many of these smaller firms.

Q: Are any of the international banks likely to relocate outside the UK because of the costs and restrictions imposed by the new system?

A: One of the main reasons behind London's growth as an international banking and Eurobond issuing centre in the 1960s and 1970s was because of its much lighter and more flexible regulatory structure and tax rules — compared with those of the US.

For the last three years, the international banks in London have protested that the new regulatory regime would force them to Luxembourg or elsewhere in Europe. As a result of their lobbying, many of the provisions affecting international professional dealers and issuers of securities have been lightened. The burden will be lightened further if the SIB can persuade overseas regulators to exchange information with them on the capital-butching of foreign banks with UK branches conducting investment business.

But the amount of paperwork arising from purely inter-professional transactions that are being demanded by the regulators remains excessive, the banks claim, and the SIB and The Securities Association are under pressure to find ways of reducing it.

Q: Have we ended up with a system of self-regulation or of statutory regulation similar to that in the US — and does it matter?

A: As in the US, the UK has ended up with a subtle but complicated mixture of self- and statutory regulation. Self-regulation applies to the extent that practitioners have majority representation on the boards of the SROs and the SIB.

These organisations are also being financed by levies on investment firms, in contrast to the Securities and Exchange Commission in the US which is financed out of general taxation. The UK system thus puts an additional cost burden on City and other investment firms.

The danger is that the SROs will act more like trade associations than consumer protection agencies. For example, this week the Government forced independent brokers and advisers to disclose to their customers the commission that they earn from recommending particular life insurance policies. But the official response of the Financial Intermediaries, Managers and Brokers Regulatory Association, the SRO which covers the brokers, sounded as though it might have come from FIMRA, the industry's trade association. Lord Elton, FIMRA's chairman, said: "Members can see no justification for commission disclosure, arguing that it confuses investors rather than helping them arrive at a reasoned decision." The FIMRA statement claimed that investors "may also believe that the best policy is the one which pays lowest commission, and ignore more important criteria, such as investment performance and overall expense."

Doubts must now be raised about FIMRA's willingness to draw up and enforce detailed rules for commission disclosure so that smooth-talking salesmen will not be able to sidestep them.

The other danger is that the SROs will enforce codes of conduct dictated by their largest members and use them to keep out new entrants with a different approach.

The main safeguard against such dangers is the powers given to the SIB to override an SRO. Although the internal morale and prestige of the SIB suffered when the Government decided to remove Sir Kenneth Berill as chairman at the end of May, its new chairman, the Bank of England director Mr David Walker, is unlikely to be a push-over for the SROs.

Overall, has the transformation of the UK financial services sector benefited the small investor?

The new regulatory regime is bringing far greater transparency to the sales of life insurance and unit trusts and less opportunity for taking unfair advantage of the investor. It is also bringing under control for the first time commodities and futures broking and dealing firms and greatly improving the regulation of non-Stock Exchange securities dealers. For clients of stockbrokers, the benefits are smaller and will be overshadowed by the cut in dealing costs when the new automatic execution facility and settlement system come into effect over the next two years.

## Man in the News

John Major

## The rising star of the New Britain meritocracy

By Peter Riddell



his contributions to the daily "morning prayers" meetings at the Treasury and for his highly efficient handling of the finance bill. It was Mr Lawson who sought his appointment as Chief Secretary last June, when he became the first of his Commons intake to enter the Cabinet.

At the Treasury he is highly regarded by civil servants both for his grasp of detail in negotiations and for his ability to sense the political mood — a combination not always seen to a Chief Secretary. Even spending ministers like him for his charm and reasonableness.

Thanks to Mr Lawson and the strong state of public finances, Mr Major has been able to build on the work of his predecessor, Mr John MacGregor, in being able to talk in terms of priorities for increases in certain programmes rather than across the board cuts. But his antennae have been sharp enough to know, generally well in advance, when concessions might be needed. There was, for instance, no question of resisting full funding of the miners' pay award.

Mr Major is an aggressive public performer in attacking Labour — for the delight of his own side — though occasionally too much so for the taste of the less partisan. He is also quietly effective on television.

However, Mr Major is sensible enough not to let the current praise go to his head. He understands that this year's fashions do not necessarily last, and he still has some way to go to establish himself as one of the Cabinet's heavyweights. Talk of him becoming Chancellor after Mr Lawson is premature. So far he has shown considerable talent as a Westminster and Whitehall operator, but has not developed a broader economic viewpoint — very much Mr Lawson's area. After another year or so at the Treasury his more likely future is running a big spending department — possibly the environment or health and social security.

Still aged only 45, he has plenty of time on his side and is likely to be at the top of the Conservative Party until well into the next century.

grew up in two rooms in Brixton in south London. Leaving school at 16 he worked in an insurance company, as a labourer, was unemployed and then joined Standard Chartered Bank where he worked closely with Lord Barber, the former Conservative Chancellor. From his teens he was always a Tory, speaking from a local soapbox.

Mr Major stresses the importance of these early experiences, yet it has not made him harsh or uncaring. Having seen problems from the other side of the fence, he understands the frustrations and intense dislike of bureaucracy of those at the bottom of the heap.

"I do not care a hoot about the fat cats, the extremely able. What I am concerned about are the

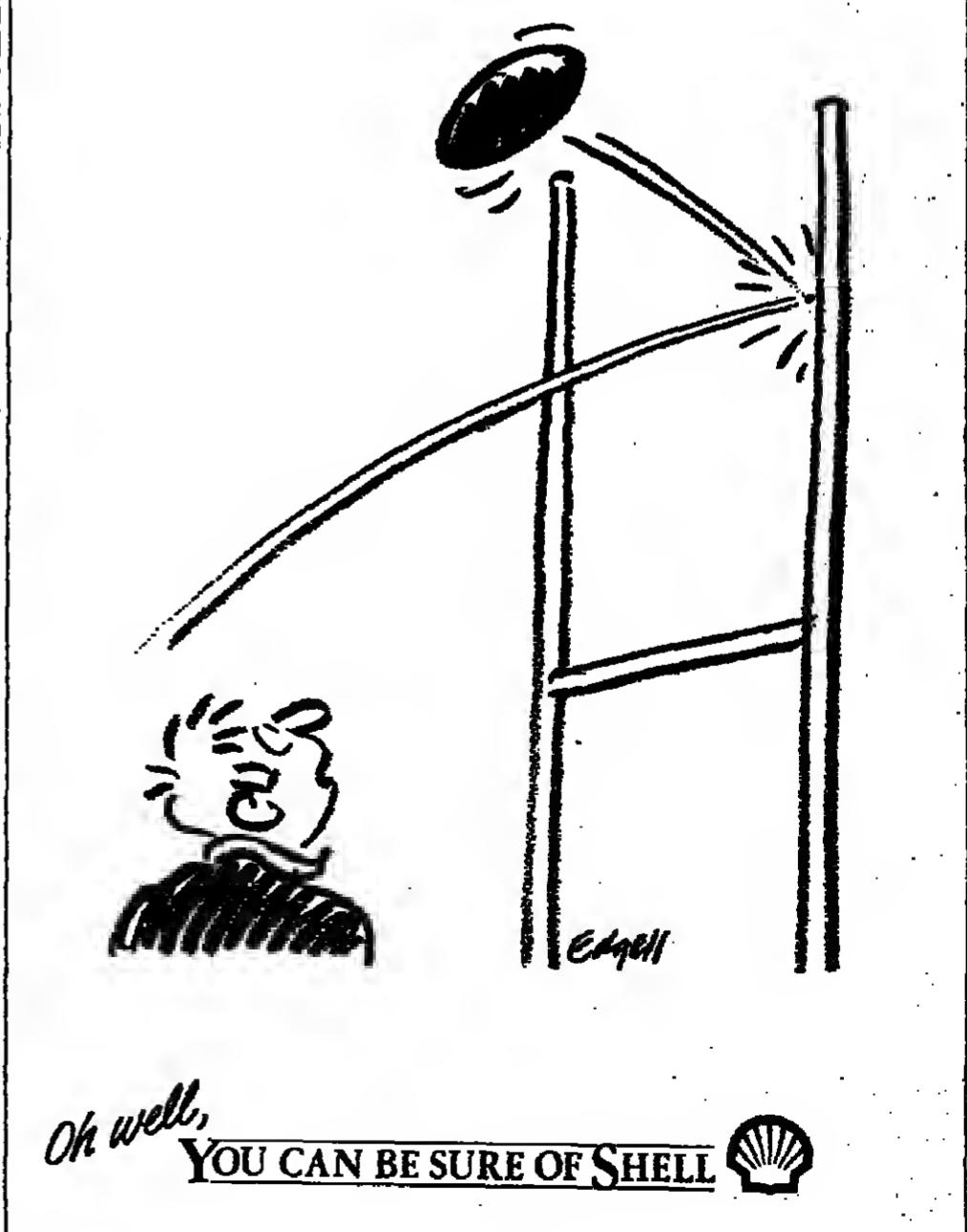
chaps who work hard and haven't quite made it — who feel trapped." That is why he backs not only cuts in taxes but also efforts to increase owner-occupation, rented housing and more choice to education.

His outlook is unashamedly meritocratic. He says how much he dislikes the blue/white collar divide. By far the most important advance he sees since 1979, both in the Conservative Party and in the country as a whole, is the increased mobility of opportunity — the meritocrats have replaced the aristocrats.

This year Mr Major clearly in the post-1979 economic grain, but he recognises the associated social obligations. As a social security minister from 1985 to 1987 he was bloodied in rows over

cold weather payments and involved in the decisions leading to this month's changes with their greater targeting of benefits. But he escaped most of the criticism associated with this shake-up. He makes no secret that he favours a degree of generosity in defining who should receive help. On other social issues, Mr Major is on the liberal wing of his party — opposed to capital punishment and taking a strong stand on racial issues and against apartheid.

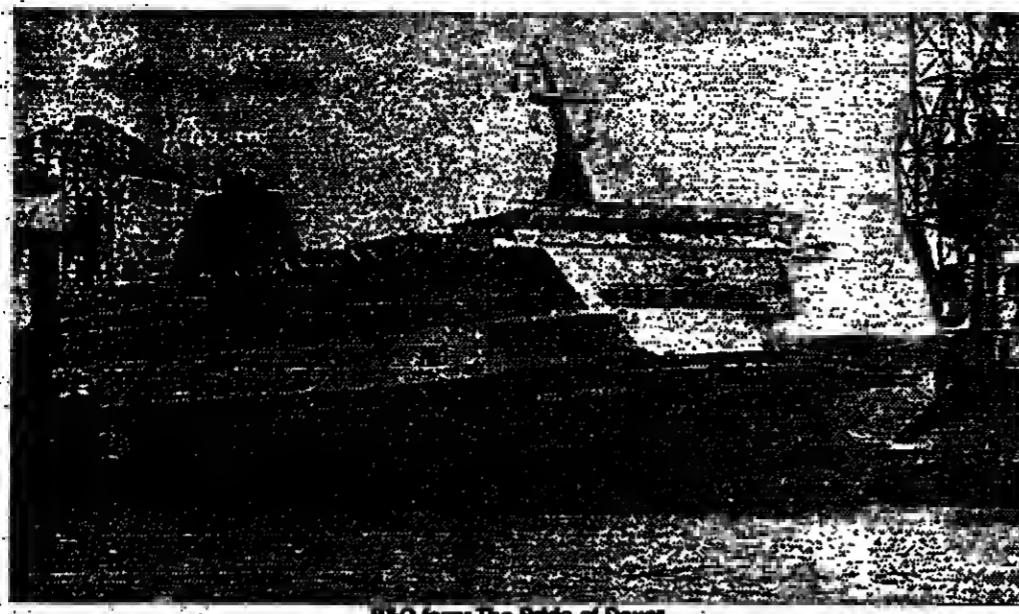
Since entering the Commons for the safe seat of Huntingdon in 1979, he has risen through hard work and astuteness. As a whip initially under the patronage of Mr John Wakeham, he then impressed Mr Nigel Lawson with



YOU CAN BE SURE OF SHELL



## Kevin Brown, Jimmy Burns and Charles Leadbeater report on the P&amp;O Ferries dispute



P&amp;O ferry 'The Pride of Dover'

THE NEXT few days will be the crucial test for P&O European Ferries' strategy to isolate and then break the three-month Dover seamen's strike.

Will it be able to resume regular services from the port? The stakes are high. If P&O succeeds it will have isolated the National Union of Seamen and the 720 seamen sacked earlier this week. The picket at the entrance to Dover's eastern docks will be left a redundant symbol of a past era of industrial relations.

P&O's Dover headquarters commands a strategic view of the harbour and of the English Channel. It overlooks all the company's competitors, the Hovercraft plies from the Western docks, Sealink ferries, and the road which leading to the construction work for the Channel Tunnel. The picket is standing at the roundabout at the entrance to the eastern docks is insignificant, a small part of the strategic view, which lies behind the company's drive to introduce revised working practices on its 11 ferries.

Mr Dick Smith, one of the pickets, regards P&O's headquarters as the modern equivalent of Dover's feudal castle, lording over a local, dependent workforce. He has been a bosun on channel crossings for the last 20 years and worked on the first roll-on-roll-off ferry in the early 1960s. "We are defending what we have represented all our lives. We built up this company - P&O are outsiders, they came in 11 months ago. Now they are threatening our community. And after 20 years of loyal service, all I get is a £45 (an end-of-employment notice) through the post."

But to P&O's senior managers, the dominant appearance of the headquarters is an illusion. They say the ferries operation, acquired 11 months ago, was in a far worse state than it appeared during the takeover negotiations.

The Dover proposals are an extension of turnaround measures that have already been applied to shore-based operations.

Together, these measures should yield savings of between £25-30m a year.

In the next few years, however, the company faces three serious challenges to the revenue it receives from the ferries. The two most serious are: the European Community's proposals to extend VAT to ferry fares, and phase out duty-free sales, as part of the process of completing the internal market. Together, these actions could raise fares by up to 24 per cent, according to the General Council of British Shipowners.

The real challenge facing the company is the Channel Tunnel, expected to open in 1993, which could mean ferry traffic being reduced by 12 per cent to remain competitive.

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The company has calculated that, if its strategy is to succeed, it must break the strikers' morale by restarting a full passenger service on its routes to Boulogne, Zeebrugge and Calais.

NUS officials argue the company would have to get its two jumbo Dover-Calais ferries back in service, as well as four other ferries, to be able to crack the strike. Running two or three ferries would not be enough. If the union could limit P&O to that, morale on the picket line would be raised.

The company claims that 1,100 of the 2,100 seamen who started the strike on February 4 have accepted its so-called Red Book working practices proposals. This is about 65 per cent of the 1,704 seamen it needs to crew its 11 ferries; about 155 per ferry.

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Liverpool seamen willing to work at Dover: it needs Kent seamen

Over the next few days hard to limit the number of people prepared to turn their backs on the union and the strikers. Several hundreds of 1,100 have accepted the company's proposals of redundancy. The company was seeking about 360 voluntary redundancies. But since it has sacked 720 seamen, it seems those who have signed to seek redundancy will be disappointed. Their position is unclear.

Of the remainder of the 1,100, scores are wavering who will do everything possible to avoid crossing picket lines, according to the union. It hopes developments over the next few days will either strengthen their obligation or incentive to stay with the union.

P&O's derecognition of the union, the continuing legal threat to its funds as a result of secondary action at other ports, have put the union's continued existence in doubt. If the NUS leadership can turn the Dover dispute into a wider struggle to defend the union, this could be powerful enough to do without the NUS.

Now, what might have seemed a simple matter of pushing over a weakened union, has become a gamble. The pickets at Dover docks could yet join the memorabilia of a past age of industrial relations. But it would be premature to consign the Dover strikers to the litany of trade union lost causes - they still have some life in them yet.

As one NUS official put it: "It is clear that the company needs a local workforce to efficiently operate the day-on/day-off rosters. It will not be much use having 400

other P&O ferries willing to take action, the wavering will think hard before bucking that trend." As yet, and unlike the miners' strike, union leaders have avoided describing those who have accepted the company's proposals as "scabs". They want to make it as easy as possible for them to re-enter the fold.

For those who remain on strike, wider support will be important. The decision of Sealink crews at Dover and Folkestone not to sail has lifted the feeling of isolation and dependency that pervaded the air last week. The strikers are also hopeful that French and Belgian dockers will help by refusing to handle the ferries on the Continent.

In addition they believe that as long as they occupy the entrance to the port, potential customers will be wary of travelling with the company. This is not coal in Nottingham, nor newspapers at Wapping - two battles the unions lost - but families bound for the Continent.

Even if the company mounts some kind of service, many customers could regard it as unreliable, inferior, even unsafe. This may be a serious handicap for the company; it has suffered a year of bad publicity as a result of the Herald of Free Enterprise disaster in March 1987, in which 183 people died.

In the longer run the company appears to have no plans as to how it will conduct collective negotiations without the NUS. The soup kitchens round the town, the networks of support, the criticisms of the company by the Chamber of Commerce and local Conservative politicians, have strengthened the strikers' sense that they, not the company, are rooted in the community. It is the company which is becoming isolated, judged unreasonable, the union says, especially after Sealink yesterday said it could deal with the union.

But perhaps the most pressing question the NUS will have to face is what could seamen possibly gain by staying loyal to the union. The NUS answer is simple: successful solidarity can force the company to negotiate an agreement with a union it last week brushed aside. Union officials say that, with small concessions, the company could have got union agreement to its proposals last week; but it decided it was powerful enough to do without the NUS.

The two cases are in no way comparable. Although Mr Demjanjuk's defence continues to claim he is a victim of mistaken identity, the enormity of the crimes of which he was found guilty - at the Treblinka camp in wartime Poland - far outweigh those of the latter-day Jewish underground in the West Bank.

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## Israeli justice

## Matching high ideals with the security of the people

By Andrew Whitley

WHEN Mr John Demjanjuk, a 63-year-old Ukrainian found guilty by a Jerusalem court of being a notorious Nazi death camp guard, was sentenced to death last Monday, the packed courtroom burst into song and applause. "Every Jew feels a certain degree of satisfaction," said Prime Minister Yitzhak Shamir.

Demjanjuk's conviction had long been expected - a view reinforced by a bumbling defence. The only doubt in most Israelis' minds was whether he would become the second man in the country's 40-year history - after Adolf Eichmann, mastermind of the Holocaust - to hang. If the High Court rejects his appeal, the sentence is likely to be carried out later this year.

For those who remain on strike, wider support will be important. The decision of Sealink crews at Dover and Folkestone not to sail has lifted the feeling of isolation and dependency that pervaded the air last week. The strikers are also hopeful that French and Belgian dockers will help by refusing to handle the ferries on the Continent.

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A comparison between the criteria the Israeli judicial system and political establishment apply to acts against the state within Israel proper and within the occupied Arab territories reveals, however, a marked divergence of

menets meted out by the legal system as a whole to Jews and Arabs are often disproportionate. Jewish settlers have been responsible for half a dozen fatal shootings of Palestinians since the uprising began in December, but no-one has been charged with murder, or is currently in jail awaiting trial.

By way of comparison, an Israeli Arab narrowly avoided a death sentence in December, when a military court convicted him of being an accomplice to the 1985 murder of an Israeli soldier. Mr Ahmed Ali Abu Jabar was only reprieved by the dissenting voice of one member of the three-man tribunal.

The contrast with the Israeli establishment's handling of a tragic incident earlier this month, in which a Jewish teenage girl and two Palestinians were killed, is equally marked.

Even as Justice Minister Avraham Sharir was calling for "the razing to the ground" of Beita village, for its inhabitants' supposed role in the Jewish girl's death, an internal army investigation had concluded that an armed adult escort was accidentally responsible.

Undeterred by its own findings, the army made an example of Beita, demolishing 14 large, stone-built houses in a low-security prison. With his release, only four of the group of 25 arrested in 1984 remain inside, he had been sheltered there. The army promised to pay compensation for the mistake.

As an angry debate began to

swirl within Israel over who was to blame for the death of young Tirza Porat, the first Israeli civilian casualty of the uprising, Defence Minister Yitzhak Rabin ordered the deportation of six Beita residents accused of throwing stones at the nature ramblers.

Leaving aside the legality of the deportations - which contravene the Fourth Geneva Convention of 1949 - the nature of the punishment seemed disproportionate to the offence. The Government brushed aside international protests over the deportations.

A corollary of the 21 year occupation has been some very rough justice indeed. The military courts of the occupied territories are denounced by Israel and foreign civil rights organisations as

uncertain about its own legal status in the West Bank and Gaza Strip, the Israeli government, in the opinion of diplomatic observers, turns to what

ever legal justification for its actions are to hand. Where there are none it cites the cause of the "struggle against terrorism."

The judiciary is, with justification, the public institution held in the highest esteem by almost all Israelis. By comparison with the standards employed in neighbouring Middle Eastern countries, Israel's concern for the rule of law is admirable.

Difficult issues, such as popular revolt, war crimes, or national security, are likely, however, to strain any legal system. In the past few months, Israel's handling of the Palestinian uprising and the parallel trials in Jerusalem of Demjanjuk and Mr Mordechai Vanunu, the nuclear spy, have evoked some troubling, quiescently Jewish, questions about the relationship between public morality, security and the quality of Israeli justice.

Mr Vanunu, condemned by public opinion as a traitor and further isolated as a convert to Christianity, was convicted last month of treason and aggravated espionage after a trial held entirely behind closed doors, amidst extreme security. As did most foreign observers, Israelis always assumed their country possessed the nuclear bomb. It reassures them in their sleep and instils fear in their enemies. They just don't talk about such matters to "the goyim" - those outside the Jewish family. In Israeli eyes, that was probably Mr Vanunu's real crime.

How to reconcile the high ideals on which the state was founded out of the ashes of the Holocaust with the need to preserve, beyond any room for error, the safety of the Jewish homeland has always been a central dilemma for Israel. It is an irony that growing concern within Israel and abroad over whether the pendulum has swung too far in the direction of security should have emerged at a time when the integrity of the state has never been under less threat from its outside enemies.

"Israel is a success story," said Mr Abba Eban, the country's elder statesman, earlier this year. "Israel has never been stronger, more secure against external assault. The major peril that faces us comes from within ourselves."

## Seamen's union not yet beached

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## Unclear how the Bill will improve standards

From Mr R.J. Manser.

Sir, Your advice to the House of Lords on the Education Bill (April 22) is timely. Parents - as the Inner London Education Authority (ILEA) poll showed - have understood the dangers of an ill-thought out reform programme far better than the government. (Perhaps this is because their children attend state schools while those of most Tory MPs do not.)

The speed with which the government has attempted to pass the Bill has left little time for discussion of fundamental questions. In particular, it is still unclear to many parents how the Bill will really improve standards. "Which" style analysis of a best buy, even at a local level, is no substitute for the individual motivation of each child. A forced academic curriculum, teaching for tests and compulsory testing from the age of 7 will encourage most children to dismiss school at an even earlier age than now.

R.J. Manser,  
87 de Frene Road, SE26

## Bottomless perdition - there to dwell

From Mr G.S. Dost.

Sir, Now that we have had bare-breasted dancers (April 20) and bare-bottomed strip tease performers (April 23) within a few days of each other on your Arts page can I take it that you have got the desire to print soft pornography out of your system? Or are you intending to print Christopher Dunkley's contention that there is as much artistic merit in the Sun newspaper's grubby offerings as in the National Gallery? (I paraphrase.)

G.S. Dost,  
Singleton,  
Crickhow Lane,  
Cleveland, Yorkshire

either, to introduce a northern town by reference to a period of industrial depression that was written about 50 years ago.

The tragedy - to my mind, as a follower of the fortunes of Rugby League football since I was a boy of 15 in Hull in 1962 - is that the attitude to the game portrayed here is generally expected by its followers when it is dealt with by the media outside the north of England. As a result, this letter might well be the only one you receive on the subject.

Not a chance must be missed,

From Mr H. Smallwood.

It was sad - and to a certain extent sadly predictable - to see how your sports writer reviewed the forthcoming Rugby League Cup Final at Wembley ("Over for Cup," April 23).

Surely a newspaper of your standing could have risen above the hacking and unworthy use of such images as: "regularly doused in driving rain, ankle deep in mud... aromas of hot dogs" and of course "fish and chips" presumably just had to be brought in somewhere.

Kate MacFarlane,  
10 North Hill Avenue, NW

## Not all journalists will go along with the Financial Times ...'

are, in extraordinary events, it beggars the imagination.

It is deemed, however, somewhat shocking when a woman who has given birth to quintuplets, or a man who has been involved in a hijack, sells the story to a newspaper. The phrase "cheque book journalism," in so far as it makes any sense whatsoever, has become devalued as a term of disapprobation - simply because all those who use it have forgotten why this form of journalism was originally thought to be undesirable.

Stewart Steven,  
Editor, *The Mail on Sunday*, Carmelite House, EC4

It is only in totalitarian countries that the assumption that the powerful are entitled to every conceivable privilege - including, perhaps, the most precious privilege of all, personal privacy - is accepted without demur. Your further complaint, that some newspapers from time to time use money to persuade individuals and then sell these for huge sums of money to newspapers, even if so doing they are denying other newspapers - at least for the period of the embargo - the right to that material.

Stewart Steven,  
Editor, *The Mail on Sunday*, Carmelite House, EC4

similar publicity once they have arrived at the top. That this is understandable does not mean it is acceptable.

The truth is that in democratic society those who have gained power, wealth and position must, sometimes, be prepared to pay the price for their good fortune.

It is rare that the privacy of ordinary people is invaded; when it is, it is certainly deplorable.

But how anyone of sensibility

## UK COMPANY NEWS

## Another upheaval in TR stable

BY NIKKI TAIT

Touche Rennmant, the fund management group, looks set to lose the management contract on one of its eleven-strong stable of investment trusts.

Later yesterday afternoon, the board of TR Natural Resources – an £82m specialist investment trust – announced that it was calling an extraordinary general meeting for June 7, and would propose that management arrangements with Touche be terminated.

The board is suggesting that Marathon Asset Management, a recently-formed fund management business, be appointed instead.

Control of TR Natural Resources changed last October following an unwanted bid from Platon investment, an unlisted Norwegian investment company.

Ahead of its bid Platon already held a 28.8 per cent stake in TRNR, and under the offer the Norwegians made clear that they

only wished to acquire a controlling stake. The listing, they said, would be retained.

That control was achieved just ahead of Black Monday, and Platon now holds 50.1 per cent of TRNR. Touche Rennmant was retained as fund manager, on annual management fees believed to have been around 0.4 per cent.

Earlier this year, however, Mr Peter Kyel – a Touche Rennmant director, and in charge of the natural resources team – left the fund management group. Yesterday, Mr Truls Persen, vice-president of Platon, said that this had been "one of a multitude of factors" in the board's decision.

"The most important is that we feel we will be much better served by a small and committed team," he commented yesterday.

At the time of the bid, Platon indicated that it was pleased with its investment in TRNR and was making the bid to increase its



Lord Rennmant, head of Touche Rennmant

The board is also recommending a change in investment policy to permit greater "flexibility" and a one-for-one scrip issue of warrants in TRNR (now to be called Sphere Investment Trust).

The new management company, Marathon, has been set up by Mr Jeremy Hooskin and Mr Neil Ostrer – formerly with GT – and Mr William Arah, from Goldman Sachs.

Platon will take an initial controlling interest in Marathon, although this is not expected to form a large investment.

The loss of the TRNR trust will be the latest in a sequence of upheavals at Touche Rennmant trusts, Britain's largest investment trust stable.

These include a hostile bid for the TR Pacific Basin trust last year, which provoked an alternative reorganisation scheme: a lengthy battle over TR Technology, and, most recently, reconstruction plans for TR North America.

## Crystallate warns on first half profits

BY PATRICK DANIEL

Crystallate Holdings, the electronics group, yesterday warned shareholders to expect "very disappointing" interim profits for the six months to March 31 1988.

The company also announced a shake-up of its board with Lord Jenkins of Roding, the former Conservative Environmental Secretary, replacing Mr Nigel McLean as chairman.

Following last year's troubles at the group's telecommunications subsidiary, Benson, problems have now arisen at Welwyn Crystallate's electronic components subsidiary.

The company said Welwyn's micro-circuits division was facing

production problems with "one important product," which it did not specify, while its flexible circuits division was performing poorly.

Benson suffered a £2.2m turnaround to post a 20.3m loss for the year to September. This cut Crystallate's pre-tax profits to £7.1m, up 5 per cent, on turnover which rose by more than 50 per cent to £100m.

The board level changes announced yesterday arose after Mr McLean, with the support of other non-executive directors, pressed for changes in the group's executive management.

However, he could not accept

the board's decision to appoint Mr Robert Eade as group chief executive, replacing Mr John Herrin.

Lord Jenkins said yesterday that the board was impressed with Mr Eade's performance since he joined the group from Thorn EMI last year to take over as Benson's chairman and chief executive.

He added that Mr Herrin agreed to step down and will remain on the board as deputy chairman in view of his experience in the industry.

"The company has basically a very sound business but we need a different style of management," he said.

Lord Jenkins, formerly Mr Patrick Jenkins, ended a 23-year parliamentary career when he stepped down as MP for Wanstead and Woodford in east London before the last general election.

The company's announcement yesterday said its interim statement, due on May 13, would examine the board's confidence that its second half results will show a significant recovery.

The board therefore intends to maintain the same interim dividend of 2.1p.

Crystallate's share price fell 7p yesterday to close at 155p.

## Windsmoor's brokers quit over Baird bid

BY ALICE RAWSTHORN

PHILIPS & DREW has resigned as stockbrokers to Windsmoor, the women's wear company which agreed two days ago to a takeover bid from the William Baird textile group. The brokers' resignation followed Windsmoor's decision to appoint Baring Brothers, the merchant bank, as its advisers in the bid.

Mr Geoffrey Redman-Brown, a director of P&D, said that his company was told of Baird's appointment by Windsmoor on Wednesday, the night before the

bid was announced. Until then, he said, P&D was not aware that Windsmoor had been engaged in bid discussions.

"I view of this we came to a mutual agreement with Windsmoor that we should resign," he said.

Windsmoor said yesterday that Baird first approached the Green family, which founded the company and holds almost 70 per cent of the equity, last autumn. The Greens appointed Baring to advise them on the bid. Baird

made a formal offer to acquire Windsmoor on Monday evening and the Windsmoor board appointed Baring as the company's adviser on the following day.

On Thursday morning Baird made a formal announcement that it had agreed terms to buy Windsmoor for just over £23m.

P&D became Windsmoor's stockbrokers in August 1985 and has acted as its financial advisers – the company did not retain a merchant bank – since then.

The appointment of P&D followed Windsmoor's decision to drop Chase Manhattan Securities as its broking house when it emerged that two Chase employees had staged its flotation in the previous month.

There was no suggestion that Windsmoor itself had been associated with the staging exercise, but the company's share price was depressed by the controversy for several months after the flotation.

## WCBS cuts stake in Parkway

By Andrew Hill

WCBS, the advertising agency, has reduced its stake in Parkway Group, an acquisitive press production services company which helped set up in 1983, from 11.2 per cent to 7.6 per cent.

The agency disposed of 700,000 shares, which were placed in the market by Hoare Govett, raising £1.5m cash.

WCBS founded Parkway with two other advertising agencies, Lowe Howard-Spink & Bell and Collett Dickenson Pearce. Originally, each held 25 per cent of the equity. The company was floated on the Unlisted Securities Market last summer.

Low now has a 9.3 per cent stake and Collett still holds 16.8 per cent.

## Cowen de Groot

Mr Philip Birch has resigned as non-executive director of Cowen de Groot, toy wholesaling and education group. Mr Birch is chairman and managing director of Ward White Group, retailer, which is involved in a £11m bid for A G Stanley holdings.

He will continue to hold 400,000 shares in the company.

## Baldwin changes its management again

BY VANESSA HOULDER

Baldwin, a small company with interests in printing, property and concrete-making, yesterday announced its second change of management in just over a year.

The new chief executive is Mr Sandy Stough, who was a director of Kennedy Brothers until the takeover by Trusthouse Forte earlier this year.

Mr Stough said he planned to expand the company into the leisure business, in areas such as hotels, nursing homes and retirement homes. In addition, he is looking at a possible acquisition of a printing plant. Baldwin had about £1m in cash.

The share price of Baldwin moved from 145p to close at 167p.

## Densitron profits rise to over £1m

Densitron International, maker of electronic components, raised its turnover by £5.86m to £20.73m for 1987 and for the year saw its profits rise from a depressed £443,000 to £1.16m at the pre-tax level. A final dividend of 1.25p lifts the total from 1.1p to 1.3p.

The directors said the company had continued to progress during the first quarter of 1988 and added that there had been a further increase in the order books.

## Beazer/Koppers

Beazer's £1.75m bid for Koppers, US aggregated and chemicals group, expired yesterday. However, the UK housebuilder seems set to extend the bid for a further week while the legal complications of the offer are sorted out in three separate court cases.

## Banro rights

Mr Edward Rose, chairman of Banro Industries, said the 66.5 per cent take-up of its 25.6m rights issue was a very good result in the light of current stock market conditions. He added that the outlook for the year was extremely good.

Mr Gervaise-Brazier joined the company a year ago at a time when nearly two-thirds of the equity changed hands. Baldwin subsequently raised £3.4m through a rights issue and moved into specialist printing with a £2.2m acquisition of Snows Business Forms.

The share price of Baldwin moved from 145p to close at 167p.

## Ensign advances midterm

Ensign Trust, investment trust, increased its pre-tax profits from £1.65m to £1.85m in the half-year to March 31 1988, and the interim dividend is unchanged at 0.39p, as already announced.

The directors said the stock market crash last October hampered the progress of the company, particularly as the financial sector suffered a substantial re-adjustment in market values.

Nevertheless, significant development of the portfolio has continued.

Merchant Navy Investment Management, a wholly-owned subsidiary, has made good progress in terms of broadening its client base.

Ensign's total income amounted to £4.6m (£3.61m). Tax took £754,000 (£640,000), after which stated earnings per 25p share were 0.37p against 0.35p.

Dividends shown per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. \*\*On capital increased by rights and/or acquisition issues. \*\*\*Unquoted stock. \*\*\*\*Third market. \*\*\*\*\*Irish currency. \*\*\*\*\*Second interim.

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres -	Total for year	Total last year
Benlo	£0.1	-	0.6	0.38	1.15
Bell Assets	0.502	-	0.65	0.7	0.8
Clayton, Son	£0.25	-	1.1	1.8	1.1
Densitron	£1.25	-	1.1	1.1	1.1
Fisher (Albert)	1	-	0.87*	-	1.8*
Fitzwilson	1.8	July 1	1	-	2
Fleming Univ	£1.5	-	0.9	2.1	1.5
Investors Cap	£3.4	-	3.15	-	12.7

## MONTHLY AVERAGES OF STOCK INDICES

	April	March	February	January
Financial Times	90.74	90.48	89.12	88.33
Government Securities	97.82	97.28	95.23	94.71
Gold	142.00	141.00	139.00	138.00
Gold Miners	216.4	212.9	215.5	215.9
SEAO Bargains (5 p.m.)	26.923	31.674	-	-
F.T.-Actuaries	955.20	949.91	915.91	923.13
500 Share	1011.11	1021.06	985.84	992.80
Financial Group	665.72	672.96	649.23	655.25
All-Share	918.65	927.76	896.46	901.59
FT-SE 100	1786.5	1807.5	1746.5	1767.6

Apr. High

Apr. Low

1448.9 (27th)

929.4 (27th)

1810.5 (11th)

1737.6 (5th)

profits, with distribution accounting for £287,000 and food for £25.2m. The product split of the latter was 52 per cent packaged, 30 per cent fresh and 17 per cent frozen.

In the US, organic and acquisition growth increased Fisher's leading share of the Florida fresh produce market to 20 per cent, with similar advances on the West Coast.

Europe, including the UK, contributed 51 per cent of operating

## Pru spends £0.55m on flat for director

By Nick Bunker

Prudential Corporation, the UK's biggest life assurance group, has spent £254,500 to install Mr Mick Newmarch, one of its directors, in a flat in one of the most expensive residential areas of central London.

It was bought during 1987 for a total of £272,500, but Mr Newmarch contributed £225,000 to the purchase price, according to a footnote in Prudential's annual report and accounts.

Mr Newmarch is the chief executive of Prudential Pacific Marine, which looks after the investment of the group's £28.8m of life and general insurance funds. He is generally regarded as being the City of London's most powerful institutional investment manager.

Prudential said yesterday that there was nothing unusual in the arrangement, but stockholders' insurance analysts were unable to recall any previous case where a big stock market-quoted insurer had disclosed in its accounts that it had done such a deal.

Under the arrangement, the property will be owned jointly by Prudential and Mr Newmarch under a trust deed which provides that if it is sold the proceeds will be shared between them in proportion to their contributions to the purchase price.

Mr Sue Shear, Prudential's chief press officer, said that the explanation for the deal was that because of his job Mr Newmarch spends much of his time in central London and entertains frequently. It was more cost effective for him to do this at home, and the property would be a good investment, she said.

The board's decision to award a £1.1m annual bonus to Mr Newmarch was disclosed on May 13, 1987, when Prudential's annual report and accounts were published.



## INTERNATIONAL COMPANIES AND FINANCE

## Philips cautious despite modest climb in income

BY LAURA RAUN IN AMSTERDAM

PHILIPS, THE Dutch electronics group, lifted first-quarter net profits by 6 per cent to Fl 21.7m (\$116m) from Fl 20.6m a year earlier, on lower financial charges and taxes and higher earnings from non-consolidated companies.

But Philips expressed caution about the negative trends which emerged in 1987, when net income plunged by 19 per cent.

Mr Johannes Zantman, vice-president, explained yesterday: "We are still accelerating our efforts aimed at increasing our readiness for battle and lowering our costs."

Commenting on rumours that Philips' Polygram subsidiary is contemplating a takeover of

MGM/UA Communications of the US, Mr Zantman said: "Polygram shares to everyone."

He added that Philips still wanted to give Polygram, a music production company, more independence, in spite of its failed attempt last year to float it publicly.

Philips owns 90 per cent of Polygram, which includes such prestigious music labels as Deutsche Grammophon, Decca Polydor and Casablanca.

It has staged a dramatic turnaround in recent years, largely because of the success of compact disc recordings.

The first quarter offered Philips no reason to change its forecast for 1988, when it sees a possi-

ble fall in operating income. This dropped 5 per cent to Fl 519m in the January to March period, from Fl 568m a year earlier. Sales volume is expected to rise about 7 per cent this year.

Restructuring costs amounted to Fl 52m in the first quarter and will rise to as much as Fl 500m for the full year. The group aims to lay off up to 20,000 employees and close 70 European factories in coming years.

In the first quarter, sales climbed a modest 5 per cent to Fl 12.4m, from Fl 11.9m in the year-earlier period. All product sectors contributed to the increase, especially lighting, domestic appliances and electronic components.

## European sales lift Volvo Truck

BY ROBERT TAYLOR, NORDIC CORRESPONDENT, IN STOCKHOLM

VOLVO TRUCK Corporation, subsidiary of the Swedish motor and industrial group, yesterday reported a 50 per cent increase in 1987 operating profits to a record Skr1.6b (\$23.5m), helped by a rise in sales from Skr15.9m to Skr17.4m.

The company also cited better operating margins, chiefly in Europe, and "very good utilisation of production". Returns on

equity rose from 13 per cent in 1986 to 24 per cent.

Although the truck industry is suffering from overcapacity, there was a 14 per cent increase in heavy duty truck sales in western Europe and 16 per cent in the US. During 1987 Volvo delivered 47,700 trucks worldwide, with 23,000 deliveries in western

Europe. Volvo plans to double its truck production capacity at its US plants this year and capacity is also to be increased by 20 per cent in Scotland and 25 per cent in Belgium.

## Bayer to hold dividend after slight gain

By Our Financial Staff

BAYER, THE West German chemicals concern, has reported a 14 per cent rise in 1987 group net income, climbing to DM1.56b (\$203m) from DM1.35b a year earlier.

The 1987 dividend will remain steady at DM10 a share, plus a DM1 a share bonus to celebrate the company's 125th anniversary. The company said it would pay out a total of DM55m to shareholders, up from DM53m a year earlier.

The rise in group net income exceeded the 8 per cent gain in pre-tax profit reported in March.

## Impala Platinum to take 55% stake in Messina

By Our JOHANNESBURG CORRESPONDENT

IMPALA PLATINUM, South Africa's second largest platinum producer, is to acquire a controlling interest in Messina, the copper mining company with platinum interests in Lebowa, the northern Transvaal black "home land".

Agreement has been reached with Sankorp, the investment arm of the Sanlam insurance group, to acquire its 55 per cent interest in Messina for about R25m (\$2.6m).

A similar offer, on the basis of 50 new Impala shares plus R175 cash for every 100 Messina shares, will be made to Messina's

minority shareholders.

Impala is controlled and managed by Gencor, the mining house which is an indirect subsidiary of Sanlam.

The acquisition stems in part from Impala's difficulties in Bophuthatswana, another "home land", where the Bafokeng tribe has refused to grant the mining company additional mineral leases.

Messina has not disclosed details of its platinum rights in Lebowa, but exploration has reached the stage at which a decision can be made about establishing a mine.

The market share rose to 17.7 per cent in Britain last year, up by 2.2 percentage points on the 1986 figure. Substantial market share increases also occurred in Italy, Spain and Portugal.

Volvo plans to double its truck production capacity at its US plants this year and capacity is also to be increased by 20 per cent in Scotland and 25 per cent in Belgium.

Overall, premiums rose from

## Rocketing costs for health care hit Aetna

By GEORGE GRAHAM IN PARIS

AETNA LIFE & Casualty, the largest quoted US insurance company, yesterday reported a 30 per cent drop in net operating income in the first quarter because of the increased competition in property/casualty business and continued losses from underwriting group health policies.

In a statement which sent Aetna's share price down and raises darker prospects for the industry as a whole, Mr James Lynn, chairman, said: "It is very unlikely that Aetna will match its record earnings performance."

However, Mr Lynn added, full-year results would be "better than the first quarter would indicate."

Net earnings from operations were \$165.5m or \$1.11 a share, against \$183m in the 1987 first quarter.

The main problems came in Aetna's employee benefits division, where earnings fell from \$71m to \$46m because rocketing health care costs have left policies looking badly underpriced.

In personal auto insurance, bad weather and increased injury claims caused a small loss.

In commercial insurance, where the main competitive pressures are now building up, Aetna's premiums fell 5 per cent to \$975m, although earnings picked up from \$88m to \$90m.

Overall, premiums rose from

\$3.8m to \$4.57m.







## LEADERS AND LAGGARDS

Percentage changes since December 31 1987 based on Thursday April 28 1988

Projects	+ 15.2%
Construction Contractors	+ 12.8%
Leisure and Hospitality	+ 12.7%
Investment Trusts	+ 12.0%
Gas & Oil	+ 11.8%
Food & Beverage	+ 11.6%
Food Manufacturers	+ 11.5%
Telecommunications	+ 11.0%
Automobiles	+ 10.8%
Consumer Goods	+ 10.6%
Automobiles	+ 10.5%
Chemicals	+ 10.3%
Automobiles	+ 10.2%
Automobiles	+ 10.1%
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Automobiles	+ 9.9%
Automobiles	+ 9.8%
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## UNIT TRUST INFORMATION SERVICE

## FT UNIT TRUST INFORMATION SERVICE

## LONDON SHARE SERVICE

Pensions &amp; Retirement Management Ltd. Ltd.

PO Box 212, St. Peter Port, Jersey, GY1 1BB

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# WEEKEND FT

Weekend April 30/May 1 1988

A CELEBRATION OF SCOTLAND

**S**IX YEARS ago Dr Bill Hemmings, a biologist, gave up urban life. He had confounded doctors who gave him only a year to live with cancer of the spine and with his wife Sue, was even more determined to realize a long-nurtured dream of settling in the west Highlands of Scotland. To their delight they succeeded in buying Glencripesdale, a large farmhouse on the southern shore of Loch Sunart, a long sea inlet that snakes from the Atlantic into that great chink of wild landscape south-west of Fort William known as the Ardnamurchan peninsula.

To get to Glencripesdale, you must drive for an hour along a badly pot-holed track, much of it through Forestry Commission woodland that, for once, is pleasantly disorderly. You see the odd stag grazing - the Chernobyl disaster has devastated venison prices and produced a glut of red deer here. Finally, you get to a white-walled house at the top of a rough meadow between the trees, looking out onto the loch and the mountains behind.

However, the retreat, which the Hemmings run as a tiny hotel for others seeking peace, is not perfect. Just as they were becoming established, Loch Sunart started to get busier. Instead of just the occasional yacht mooring there, fish-farming companies anchored clusters of large, floating cages in some of the bays to breed the reared salmon that are the Highlands' most rapidly-increasing product. Not far from Glencripesdale itself, there are lines of little orange buoys, rather like the surface of an Olympic swimming pool, each suspending ropes on which fish farmers are growing scallops.

The occasional motor-boat plies across the loch while lorries and pick-ups belonging to the fish-farming companies buzz along the roads around it. On the north side, McConnell Salmon, an offshoot of the Booker group, is busy expanding its little base with a pier and sheds and a dozen men in orange overalls. Loch Sunart, in the eyes of the Hemmings and their guests who complain about the traffic, bits of plastic being washed up at the high-tide mark, and hearing snippets of BBC Radio One from the wireless, is no longer a haven of peace.

The fish farms on Loch Sunart mostly are tucked into bays and from the majority of viewpoints along the loch you still see only deserted water. But such has been the extraordinary growth of this industry in the past eight years that there is hardly a sheltered inlet along the west coast that has not got a scattering of salmon cages, or, shortly to get some.

Along with the blanket planting of conifers on the hills, the growth of marine fish farming has become a major issue for conservatives in Scotland. By putting the cause of economic development against those who protest, see the Highlands as a refuge, it raises the question of what sort of people - different purposes - the Highlands are for.

The native population is about 260,000 - not much more than the English city of Leicester - and by no means all of those are indigenous Highlanders. The Hemmings are self-styled "white settlers" - the Highlands have, for people, usually from England, who have recently moved there, buying up old cottages or building little bungalows or, very occasionally, taking over existing surroundings. They are helping to repopulate the area after generations of local people drifted away to the towns, unable to find work at home.

Suddenly, though, fish farms are creating work for ordinary people throughout the west coast at an unprecedented rate. In the little settlements along Loch Sunart, they employ nearly 70 people. Unem-



## Battle for the Highlands

Some see Britain's great northern wilderness as a refuge, others as a target for economic development.

James Buxton examines the arguments

ployment effectively has disappeared: officials who tried to organise the Youth Training Scheme there went away empty-handed and the number of children in the little primary school at Glenborrodale, near the entrance to the loch, is set to rise from four to 19 in the next school year.

Beyond Glenborrodale, the woods and rhododendrons on the hillsides disappear and the single-track road takes you into a wild, open landscape culminating in Ardnamurchan Point, the most westerly tip of mainland Britain - further west even than Land's End. Shortly before you get there, looking out on a superb view across the sea to the island of Mull, is the village of Kilchoan. White-painted cottages are scattered among the sheep pastures along with a school, a hotel and two churches. At first sight, it looks a prosperous community.

In the post office, however, Catriona MacMillan tells a sombre tale. A sensible, articulate woman, she is married to the local bus-driver who also runs a croft with 120 sheep. The village, she explains, depends almost totally on seasonal tourism. In winter, only about 100 people live there; in summer when the holiday cottages fill up, many with people from the south of England, it can swell to more than 1,000. But without year-round employment, there is nothing to keep such young people as the village still has. When there 12, they go to the secondary school at Fort William and stay in a hostel as weekly boarders (there is no secondary school closer), and that's them away from home, she says.

For Macmillan, the new activity of salmon farming could offer Kilchoan permanent jobs for young people and the hope of becoming a more balanced community. The local member of the Highland Regional Council, Dr Michael Foxley, who has sometimes criticised fish farming elsewhere, actually suggested to Marine Harvest, the salmon-growing subsidiary of Unilever, to apply to come to Kilchoan. Previously, the industry had passed by the location because it was too exposed to the elements, but now Japanese technology exists for fish farming in such waters. However, the application is not likely to go unopposed by conservationists.

The clash of interests between the white settlers, the holiday cottagers, and the indigenous people along Loch Sunart and out at Kilchoan does not amount to a blazing environmental row - the people are too dispersed and too much separated by distance for that. But it is in microcosm a debate over the whole of the Highlands, and one followed closely by people hundreds of miles away in the south of England.

In an office off the Strand in London sits Neil Jamieson, an earnest, grey-haired man who runs an organisation called the

Scottish Scenic Trust. This is an unashamed pressure group with an annual budget of about £30,000. It has patrons and advisers but no members. Yet, through skilful use of media coverage - Jamieson, an expatriate Scot, is a public relations man - it wields much influence in Scotland while his letters, often worded fiercely, drop frequently onto the desks of government ministers.

Jamieson says he sees the Highlands primarily as a place where people in the rest of Britain go to enjoy outdoor recreation in a wild landscape. "It's one of the last bastions of the outdoors in Europe," he says. "It's in the interests of the British public as a whole that it should be protected." He believes conservation in Scotland is 20 years behind the rest of Britain.

According to Jamieson, the Highlands' greatest potential is for tourism and nothing should be done - whether erecting power lines, extracting minerals or planting unsightly forests - to detract from that. Tourism must be seen as a genuine occupation, he says, and increasingly it is becoming almost a year-round activity in Scotland.

Jamieson insists he is not opposed to fish

farming - which he calls "an ideal industry for the Highlands" - but is alarmed at the effect of its proliferation on the scenery. He attacks the fact that control of its development is largely in the hands of the Crown Estate Commissioners who, through the Crown's ownership of the seabed, issue the leases.

The Scottish Scenic Trust, along with 11 other conservation bodies ranging from the Royal Society for the Protection of Birds to Friends of the Earth, produced a discussion document recently on marine fish farming. It raised many fears, from the risk of pollution to the damage to wildlife posed by the occasional shooting of seals which try to prey on the captive salmon. Jamieson would like to see fish farming cut to about two-thirds of its present size and considerable areas of the Highlands put out of bounds to it altogether.

The fish farming industry believes it can answer most of the criticisms. The companies insist that because they are likely to be the first to suffer from water pollution they are good watchdogs, although research is being stepped up. The need to shoot the occasional seal is an embarrassment, given the acute public sensitivity over anything to do with them, but the number killed - put at about 1,000 a year - is insignificant compared with the burgeoning growth in the UK seal population caused by the government ban on culling.

However, the Highlands and Islands Development Board, the role of which is to promote the prosperity of the region, is afraid that the headlines won by conservation groups risk giving fish farming a bad

Continued Page XVIII

### The Long View

## Still bound by the shackles of history

The Scots have fought long and hard to break free from the legacy of the nineteenth century and much still remains to be done. But, as Barry Riley reports, there is room for optimism



is strong and has contributed heavily towards the tipping of the balance of economic power in the UK in favour of the south east. It is, after all, only an hour's flight from London on the Shuttle. The population of Scotland is slowly declining, although Scotland is not so impoverished as you might think: consumer spending per capita has been running at around 97 per cent of that in the UK as a whole.

In one sense the geographical position on the outer edges of the European Community is of no help. There are now, for example, some 45,000 jobs in the electronics industry.

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has been taken over by Guinness, Coats Patons by Vartona Villyella and Britoil by BP (though in that case a deal was struck to retain BP's North Sea technology headquarters in Glasgow).

The departure of head offices creates an immediate threat to the infrastructure of financial and corporate services, and may also mean that purchasing departments will withdraw business from the Scottish economy. More fundamentally, the nature of Scotland as a branch economy is increasingly confirmed.

All is not gloom, however. While old industrial giants may be taken over (and few even in Scotland had a good word to say for DCL) there are signs of the emergence of a new generation of younger companies in growth industries. North of the border, petrochemicals is in progress.

Nationalist pressures have subsided somewhat. Whatever the faults of the English, Scots on their own would have a very hard time. An independent Scotland might be like Sweden, but more likely it would be another Ireland. All the same, being part of a larger economy does have its disadvantages, as was shown by the affair of the Ford electronics plant in Dundee. A national labour agreement made it impossible for Scotland to compete for a new plant which will now go elsewhere. Fortunately, few multinationals have UK union agreements like Ford's.

At present there is a degree of economic optimism within Scotland. The electronics industry has performed one of its turnarounds from slump to boom, the North Sea exploration industry has survived its 1985-87 crisis and the financial services industry has been growing fast, only slightly dented by last October's crash.

The challenge is to foster business leadership on the fringes of Europe. Nothing rouses the Scottish business community to greater passion than a threat to the control of a major Scottish company. Yet in the past couple of years the Distillers Company

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# Sigh of relief greets March trade figures

**TAKEOVER** speculation is fervid fun - who will be first to spot the next candidate? - but it should not be mistaken for a healthily energetic equity market. Only the liveliest bout of bid talk for many months gave any fizz to shares this week.

At least there was nothing worse, though. UK trade figures for March, a current account deficit of £254m and visible trade deficit of £254m, were at the optimistic end of forecasts and gave a shares a little fillip on Friday morning. Most of that reaction, however, was a sigh of relief, and shares soon slipped back again as if nothing had happened.

On Thursday, the currency markets had already discounted a £500m current account deficit, larger even than the disappointing figures for January and February. It was not surprising, therefore, that sterling got a boost on Friday despite the move towards higher West German interest rates this week.

In some ways the March figures should drive away bearish fears of a £3bn current account deficit for 1987, says Ian Harwood of Warburg Securities, which is sticking with its £5.5b forecast.

Before the trade figures, the FTSE 100 had added more than 20 points on the week. Most of this advance came on Tuesday, when the index added 2.2 points after Swiss foods giant Nestle swooped with a £2.1bn takeover bid for Rowntree. The York-based chocolate group was already on its guard after Jacobs Suchard's down bid a fortnight previously.

Nestle's 890p offer not only drove Rowntree's price to new

heights - by Friday it was double the level at the beginning of April - but also alerted the market to the attractions of international brands. As the talking point for the week, at least, it made a change from 1982. Suchard, secretive even by Swiss standards, raised its stake in Rowntree to 20 per cent.

Not yet as beligerent as its chocolate rival, but just as much in doubt about its future, was Cadbury-Schweppes. General Cinema, the US cinema operator and soft drinks bottler, increased the value of its 17.7 per cent stake in Cadbury with a Securities

division of its telecommunications division, centred on the Vodafone mobile telephone business, Racal moved to pre-empt any takeover ambitions harboured by companies such as Cable & Wireless and Siemens. It intends to keep a controlling stake, perhaps as high as 70 per cent.

As estimates of flotation value ranged wildly between £1bn and £3bn, Racal shares added another 72p to close at 319p on Thursday.

It remains to be seen whether the market has been carried away

with enthusiasm for a product

with which contemporary City

City gains - in popular image, anyway - are all too familiar.

The oil sector also woke up on Monday when RIZZI sold its oil and gas subsidiary to Elf Aquitaine for £300m. This was taken as an signal that RIZZI's 20 per cent holding in London & Scottish Marine Oil was up for grabs, and others in the dwindling band of UK independents rose in sympathy with Lusso.

The market's topper in the absence of takeover interest was illustrated on Monday when the volume of 322.5m shares was just a little over two-thirds of average daily trading a year ago. In part, this was a result of the long-term shadow cast by the trade figures and, to a lesser extent, anticipation of the Confederation of British Industry's quarterly trade survey on Tuesday.

The CBI found manufacturers bullish on output and exports, a trend not yet visible in the first-quarter trade figures, but one which most analysts expect to see in the second. For those who look more concerned with US

1987 now struggling through, equities are no longer getting much of a lead from this source.

One of the few large groups to report this week, British & Commonwealth Holdings, used its 1987 figures to pose an accounting question: how should service companies account for the goodwill created by acquisition? It discovered that the market did not think much of its own answer.

Unlike most UK companies,

B&C has begun to charge a proportion of goodwill against pre-tax profits. Amortisation cost B&C's pre-tax line £1.6m in 1987, but it is likely to reach at least £2m this year because none of the goodwill from second-half acquisitions, like Mercantile House Holdings, was charged against 1987, and former associate Abaco Investments has already been taken over this year.

Whichever way the rise comes, the short-term outlook for equities cannot provide any encouragement for a listlessly drifting equity market. There might be no shortage of action for the arbitrageurs who staked his or her reputation on the premise that this year will provide decisive retribution of old saws about May.

## COMPANY NEWS SUMMARY

### TAKE-OVER BIDS AND MERGERS

Company	Value of bid (£m)	Market price per share (£)	Price per share (£m)	Value of bid (£m)	Market price per share (£)
British	500 <sup>1</sup>	515	294	2,520 <sup>2</sup>	BP
County Prop.	205 <sup>3</sup>	199	142	20,32	Broadlands Prop.
Crowder (L.)	174	178	174	207.2	Colored
Dabblor	206	199	176	94.79	Post
Ent. Prop. Inv.	260 <sup>4</sup>	273	230	63.04	Penley Prop.
Ent. Prop. Inv.	270 <sup>5</sup>	273	265	65.47	Galwey
Framlington Group	200 <sup>6</sup>	199	170	70.00	Hartmanns Ltd.
Glass Glaz	202	200	244	35.47	Dynex
Goodwin Group	275 <sup>7</sup>	273	223	22.0	HBA
Hawkins Group	375 <sup>8</sup>	371	341	84.19	Hegsonn Chalk
Kennedy Brosch	410 <sup>9</sup>	412	391	173.35	Hudsons Park
Leerie Elec.	240	219	162	15.1	E. Cooper
Marcott	146	140	85	32.59	Crest Blocks
Morgan Marc.	127 <sup>10</sup>	131	138	6.57	Westchase Inc.
Marcott Holdings	64 <sup>11</sup>	61	53	1.44	Marl
Presty (A.)	241	235	132	16.16	Cost Stationery
Prudential	800 <sup>12</sup>	913	725	2.1m	Nevis
SPP	159	156	123	30.48	Brownells
Sabers Ind.	166	168	140	16.21	Standard
Sigmas	44	43	48	3.71	Agric. Comp.
United	281	298	228	103.0	West White
Widmer	128	125	21	28.21	Widmer

<sup>1</sup>All cash offer. <sup>2</sup>Cash alternative. <sup>3</sup>Partial bid. <sup>4</sup>Star capital and already held. <sup>5</sup>Unconditional. <sup>6</sup>Based on 2.28 pps 20/4/88. <sup>7</sup>Normal of conv. Lom stock. <sup>8</sup>Subject to suspension. <sup>9</sup>Based on cash equivalent in NAV to be determined. <sup>10</sup>Widmer.

### London

Exchange Commission filing which said so much that it revealed very little.

General Cinema signalled that it should no longer be considered a passive investor in Cadbury and outlined options ranging from seeking full control to selling out altogether. Up, up, up went Cadbury's shares, which were not in the US group's interest, but it was planning a takeover bid, and conveniently added £2m to the value of its holding.

With all this takeover speculation going on - Courtaulds and Gold Fields were two of several names which went in and came out of the frame - Cadbury decided to place a call to the market before its own cellular telephone rang with unsolicited greetings from London or Munich.

In announcing a summer flota-

tion of its telecommunications division, centred on the Vodafone mobile telephone business, Racal moved to pre-empt any takeover ambitions harboured by companies such as Cable & Wireless and Siemens. It intends to keep a controlling stake, perhaps as high as 70 per cent.

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price to pay to make a point in the accounting debate over goodwill, it is still not clear why B&C chose to rock the boat when it was not yet obviously necessary.

On the wider front, gilts moved

sideways apart from a flurry of interest in index-linked stocks.

On UK interest rates, it appears

not to be a question of whether

they will move up but when, and under what circumstances: provoked from abroad by currency

turnmoil or brought in to choke

the sort of inflation that

hurts figures in the retail price

index - house prices fuelled by

ever more aggressive and ever

more numerous mortgage-lenders.

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Clay Harris

HIGHLIGHTS OF THE WEEK					
Price y/day	Change on week	1988 High	1988 Low	Whichever	
FT Ord. Index	1443.9	+22.3	1478.7	1349.0	Widespread bid speculation.
Atkins Bros.	280	+41	290	212	Vague takeover speculation.
Cadbury Schweppes	385.2	+76.2	379	231	General Cinema SEC filing.
Courtaulds	386	+34	396	238	Share-building rumours persist.
LASMO	404	+49	410	271	RIZZI 28.9% stake up for sale.
Lerie Elec.	219	+64	219	123	Agreed bid from F. Cooper.
Molyneux	92	+19	97	70	Sharply increased profits.
Northern Foods	304	+52	304	243	Takeover speculation.
Racal Elec.	317	+79	322	202	Vodafone float off/kid speculation.
Rockit & Colman	881	+49	884	770	Consumer brand excitement.
Rowntree	920	+204	934	411	Nestle bid.
SPP	156.0	+43.2	156	100	Blairwhite.
Shiloh	251	-33	298	251	Disappointing results.
Utracare	311.2	+41.2	311.2	173	Revised takeover speculation.
United Biscuits	287	+22	354	249	Consumer brand excitement.

### Junior Markets

To join the Third Market, entrants had to produce just one year of audited accounts. There was no minimum requirement for the amount of equity that needed to be in public hands.

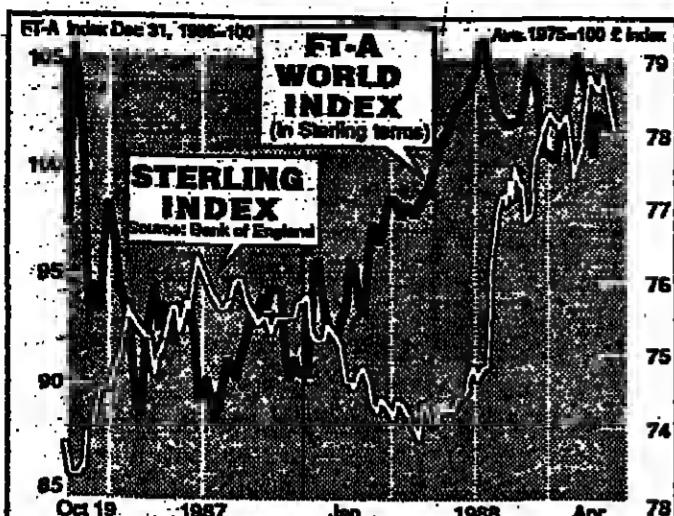
The issue is particularly pertinent because of the investor protection provisions that came into force on Friday. The changes under the new Financial Services Act could reduce greatly the size of the over-the-counter market because dealers in shares will have to be authorised and a number of market-makers may fail to obtain authorisation.

In theory, companies at present on the OTC could move on to the Third Market. However, the reality might be somewhat different if the first 13 months of the Stock Exchange's newest tier are anything that go on.

The Third Market was launched amid high hopes in January last year. The idea was to establish a new trading forum that would combine the flexibility of the OTC market with the respectability of a regulated exchange.

The OTC market had grown dramatically in the 1980s but suffered from a series of corporate collapses and criticisms of the "cold calling" marketing methods used by some security houses.

Commentators at the time of



## A birthday for all to celebrate

AS JAPAN WAS celebrating the Emperor's birthday yesterday, investors in the Tokyo stock market had equal cause for feeling in a particularly festive mood.

Since the first of the year the Nikkei stock index has jumped by nearly 30 per cent, with the gains spread out right across the board. Indeed, investors in the TSE this year would have had to work hard to lose money as nearly every sector has moved in a positive direction.

As a result, the Nikkei index is once again setting all-time record highs on a daily basis. It closed at 27,434 on Thursday before yesterday's holiday, with strong trading volumes and no palpable sense of nervousness among brokers or investors.

Indeed, with foreigners now back into Tokyo as net buyers, only the Bank of Japan is left to repeat its refrain of urging investors to exercise "the caution" in stock market activities.

While investors continue to enjoy the merry-go-round, made all the more delightful by the continued lack of excitement in other major bourses, the authorities in Tokyo are starting to become slightly more concerned. Given their basic conservatism, the gentlemen of the Bank of

Investors in the TSE this year would have had to work very hard to lose money as nearly every sector has moved in a positive direction.

Japan and the Ministry of Finance would be happier if the TSE cooled off for a while.

However, the way things work, it is easier for officialdom to improve investment sentiment as it did earlier this year by re-laxing some requirements for institutional investors - than it is to cool things down.

If, for example, the central bank were to allow interest rates to drift up, it could cut off the flow of funds to the US dollar and push up the yen even further. At the moment, instability in the currency markets is the last thing the Japanese want. If interest rates went up in the United States, this would give Japan a bit more flexibility, but this seems unlikely given the worries about inflation in the US.

In the meantime, the factors which continue to contribute to Tokyo's growth are still blossoming, despite the passing of the cherry blossoms last week. The economy is still roaring ahead, with Japan's official 3.6 per cent GNP growth forecast for this fiscal year round pooh-poohed by independent forecasters. Most are looking for more than 4 per cent growth, some as much as 5 per cent.

Not only does this growth imply continued amounts of surplus cash for investments in the Tokyo stock market, it also implies that yen investments will become increasingly attractive to outside investors. The IMF, for example, expects average growth for the G7 countries to be 3 per cent for the next two years, with the US and West Germany under-performing that figure.

Barring some major disaster, then, Japan's super-currency could become something of a reserve currency, especially for growing Asian economies. Singapore has already started pumping money into yen, primarily in the stock market. The relative ill-

### Tokyo

quality of Japan's government bonds (other than benchmark issues) means that this kind of inflow to yen will benefit the TSE, rather than bonds, at least until the Bank of Japan starts issuing more short-term paper.

At home, the best-established, weight of money, continues to reign supreme. Corporate profits are still rising, Japan's money supply figures are still at record lows. Recently, recent regulations aimed at curbing land speculation have meant that more of these wheeler-dealers have been focusing on the TSE for their fun.

Brokers now estimate that between 120 to 150 rising stocks on the TSE are being chased by speculators and individuals who have reaped small fortunes on the rise in property prices over the past few years.

Emperors don't live forever, though, and neither can excess liquidity remain a permanent factor in Japan. According to Goldman Sachs in Tokyo, the difference between money supply growth and nominal GNP growth has jumped from 0.6 per cent in 1984 to 5.6 per cent last year and 6 per cent this year. Next year, it predicts the figure to reach 6.1 per cent.

As a result, Japanese and foreign stock brokers alike remain confident of continued excess liquidity and Tokyo's prospects for at least the next year. The last two periods of low liquidity in Japan were the 1974 and 1979 oil shock periods.

At the moment, oil prices do not look like causing Japan so much trouble given its strong currency and situation in the oil markets. When and if low liquidity will strike again remains an open question.

Some brokers, then, are boasting the Emperor with a prediction that the Nikkei will hit as much \$2,000 by the year's end, with some dull patch or downturn in between. As usual, it is hard to find any bears in Tokyo, except for the bureaucrats who are twiddling their thumbs nervously at the Bank of Japan and the Ministry of Finance.

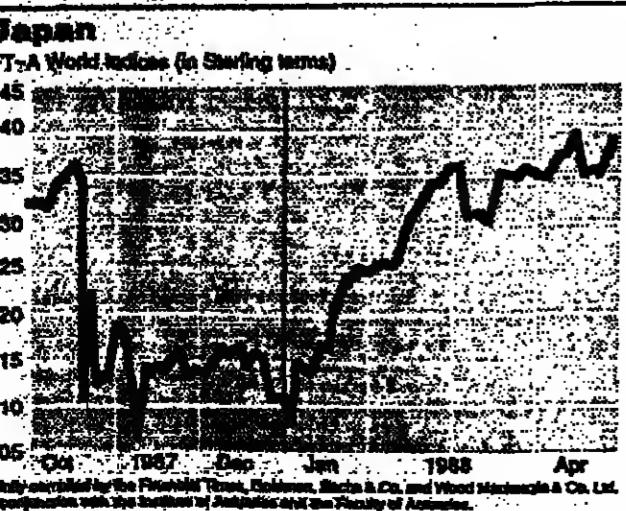
In the meantime, investors will continue to have a hard time choosing between the various buoyant sectors in Tokyo. Even Toshiba, which faces US trade sanctions in the wake of a CoCom violation, has been hitting record highs this week. The case for buying shares put by a Japanese broker, is that nothing further can now arise to hurt Toshiba over this matter.

Two other themes of particular interest have been those companies who will benefit from liberalisation of Japan's imports of beef and oranges, and the country's continuing trend toward leisure activities.

On the beef and oranges story, brokers have been promoting warehouse, refrigeration and even shipping stocks. Leisure is a harder theme to identify as an industrial company interested in hotel development, for example, needs to hold a good deal of land or be very cash-rich.

Next week, however, investors can take a break as Japan retires for its annual Golden Week holiday. It should be a good chance for the country's central banks and finance ministry officials to get some well-needed rest.

Carla Rapoport



## Wall Street

WHEN THE financial markets are "deader than a doornail" (in the words of one exasperated trader), when volumes on Wall Street are at their lowest ebb for three years, and when economic statistics and corporate results' announcements are turning out precisely as the analysts had expected, it is perhaps a good opportunity to take stock. It is a chance to look at the dramatic past, instead of the uneven present - and to make an over-due confession.

For the sort of people who worry about snow showers in August, the past few months have been miserably frustrating. Back in October, professional pessimists enjoyed a brief reign of glory after the years of crying in the wilderness about fiscal dishonesty, industrial decay and imminent financial meltdown.

However, for those of us who sought a truly elemental drama - an statist's moral retribution for reckless public policy and shameless private greed - the aftermath of the great crash has proved to be a disappointing washout.

Indeed, looking back over the columns which have appeared in this space during the last year, it looks today as if the most perceptive was not the one published on October 10 last year. This argued that "the next long-term thousand point move in the Dow Jones Industrial Average will be downwards, not upwards" (as the most fashionable analysts on Wall Street were still predicting at that time). Nine days later, the Dow had fallen 800 points and the

## After the crash, a washout

but a whimper?" it asked.

Today, of course, the world is still far from ending. But, to the extent that the stock market and the economy both suffered blows last autumn, these now look like mere setbacks rather than full-scale disasters.

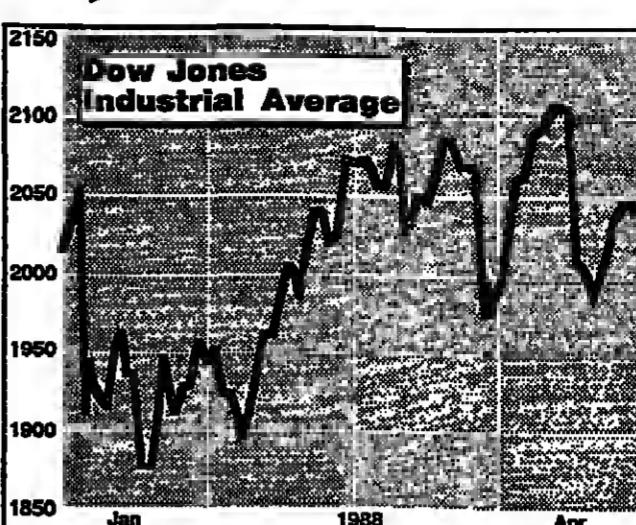
From the stock market investor's standpoint, it still appears very unlikely that prices will recover in the foreseeable future to the heights reached last August. But almost nobody on Wall Street seems any longer to be worried about an all-out collapse.

The debate today is between analysts who expect a further gradual attrition towards the lows plumbed last October, and those who believe that a slow healing process, that could take months or even years, is now going on.

And however much it might appeal to the journalistic spirit to dramatise events, seeking out economic miracles or disasters, the fact is that all the objective indicators suggest the Wall Street consensus does, for once, make sense.

The US economy is chugging along at a respectable pace, with neither recession or unacceptable inflation apparently on the horizon. The total absence of any market reaction to the figures for first-quarter Gross National Product, published on Tuesday, shows just how moderate and acceptable is the economy's performance today.

Occasional grim trade figures



may still unleash some panic selling, as they did three weeks ago when the Dow dropped 102 points in a single day. But the market's steady recovery since then has reflected, properly, the decent medium-term economic outlook on which all the best economic forecasters now agree.

Growth of 2.3 per cent in the second quarter, with most of it coming from business investment rather than consumption, was precisely the kind of performance the markets, the policymakers and the economists wanted to see. The decline in the trade deficit might still be unstable and disappointing. But the fact that most of the continuing expansion of imports is going into business

investment is a major consolation, since it does mean a build-up of America's competitive ability in the longer term.

There may be a few signs of intensifying inflationary pressures in the primary goods industries like chemicals and steel, as well as in some regional labour markets - and the widespread expectation that the Federal Reserve Board might tilt policy in a slightly restrictive direction is probably right.

However, US trade unions are still preoccupied more with job security than with buying power, and excess capacity still abounds in major manufacturing industries such as autos (a fact that was underlined strongly by this

week's results from the big three US carmakers). An uncontrollable inflationary explosion thus looks unlikely, even if the dollar still has somewhat further to fall.

Above all, the anxiety about inflation seems to confirm that there is no economic slump in prospect - certainly no 1930s-style depression, and probably not even a serious recession like the ones which knocked the market sideways in 1974 and 1981.

Meanwhile, the stock market itself seems to be placed for a slow, if unspectacular, advance. With announcements of first-quarter results confirming, or somewhat exceeding, analysts' expectations of 15 per cent-plus growth in earnings per share, the market's valuation is at a reasonable level.

The price/earnings ratio on the Dow Jones index was 11.8 in the week ending April 21, indicating a somewhat undervalued market compared with the 50-year average p/e of 13.6. The Dow's dividend yield was 4.2 per cent, suggesting a very marginally expensive market compared with the long-term average of 4.2 per cent.

In summary, there seem to be few objective reasons for continuing to predict snow showers in August or even a figurative financial blizzard as the summer draws nigh. All that is left for the unreconstructed gloom-mongers is gut feeling - and the knowledge that disaster strikes when people, including even long-time pessimists, expect it least.

Mondays 2036.97 + 20.88  
Tuesday 2044.71 + 05.79  
Wednesday 2047.51 + 05.15  
Thursday 2041.33 - 05.63

Anatole Kaletsky

Common sense alone tells you that if we don't get our business ship-shape there'll be no future for P&O European Ferries and no jobs.

At the moment, we don't even earn enough to refurbish our ships for the future, let alone replace them.

We put this to the NUS. But they wouldn't see sense.

Market equalisation in 1992 will mean the loss of our duty free revenue, and the introduction of VAT on fuel and tickets will put a further dent in our revenue.

The following year the Channel Tunnel

opens with obvious consequences for any ferry company that isn't running a tight ship.

We put that to the NUS.

But they wouldn't see sense.

Even without the challenges of the future

we'd still need to act now. Foreign ferry operators aren't held back by the same levels of overmanning. So who do you think is more competitive?

We put that to the NUS.

But they wouldn't see sense.

The solution might be

uncomfortable, but it's unavoidable. We have to get rid of the outdated working practices that are crippling our business.

We put that to the NUS.

But they wouldn't see sense.

In an effort to solve the deadlock we agreed to ACAS conciliation and accepted their proposed solution.

Still the NUS wouldn't see sense.

Finally, we improved on the ACAS solution and made a direct approach to the workforce.

Our solution has guaranteed ratings around 34½ weeks paid leave

plus bonuses and P&O Group profit sharing.

They'll earn between £11,000 and £17,000 p.a. basic salary.

65% of our workforce wrote and accepted the offer.

The union still didn't put it to the vote.

P&O is the only remaining British-owned ferry company operating between the UK and the Continent.

We employ more British seafarers than any other company, and we'd like to keep it that way.

If only the NUS would see sense.

P&O European Ferries



## Throgmorton bid wins Framlington

Nikki Tait on the future of the fund management group

INVESTORS WHO own the 100,000 unit trust accounts at Framlington — and intermediaries who sell the units — may have given yesterday's newspapers more than a passing glance. After a week of behind-the-scenes negotiations, the fund management group agreed terms for a £70m takeover by a previously unwanted bidder, Throgmorton Trust.

The twist throughout this farce has been Throgmorton's existing relationship with Framlington. The £230m investment trust is managed by Throgmorton Investment Management Services, itself a part of Framlington since the two businesses merged in late 1986. The trust even shared three common directors with the fund management group.

So why the bid? Unfortunately, frictions between the "old guard" at Framlington — formerly a unit trust group with some additional pension/discretionary fund management business — and investment trust managers, TIMS, have been rubbing for over a year. These centred on what were described as "differences in management style". Matters came to a head when 28.5 per cent shareholder, Credit Commercial de France, indicated that it wished to sell its Framlington stake.

What happened last week is that — with no immediate rival suitor in sight and considerable pressure for an agreed deal from the French — the two sides finally negotiated. Throgmorton

Trust raised its offer modestly, an outline structure for the new Framlington board was agreed, and Framlington eventually recommended this leave unchanged.

Where does this leave unitholders? Essentially, there are two key points. The first is the question of management charges. At present, Framlington's charges are at the industry's lower end — 0.75 per cent on most of the UK funds and 1 per cent on the international. Here, Thursday's press statement was fairly clear: it retained a declared intention "to maintain a competitive charging policy". This seems to imply that Framlington's charges should not exceed the industry average and could even remain marginally below that level.

The second, more crucial question is who will manage unitholders' funds. Inevitably, the immediate public noises are soothng. Throgmorton stresses that it has never had any quarrel with Framlington on this score, and has no wish to make significant changes: Framlington points again to the press statement, which states that both sides "will use their best endeavours to ensure continuity of fund management for the unit trusts" and "keep existing teams together". Certainly no-one is talking about a precipitous mass walkout.

Whatever the long-term outlook, the harsh fact is that nine Framlington trusts are now priced on a bid basis; three on a mid basis; and only three on an offer basis. About two-thirds have changed their pricing basis — adjusted downwards — during the past month's upheavals.

Framlington, quite reasonably, says that it has to protect its own funds. Unitholders, even the most loyal ones, may feel differently.

## Nationwide Anglia NEW RATES

From 1st May 1988

### New Mortgage Rate 9.75% (Typical APR 10.30%)

The rate of interest charged on new and existing mortgages for owner occupier borrowers for immediate and seven day notice accounts will be reduced from 1 May 1988. Borrowers should not change their payments unless advised. Other mortgage holders will be notified of any changes in writing.

### SHARE ACCOUNT & CASH BOOSTER 3.50%

### TOP SAVER 4.50% (including 1% Birthday Bonus).

### FLEXACCOUNT 1.50%

### £100-£499 2.50%

### £500 and over 3.50%

### BONUSBUILDER 3.50%

### £1-£499 5.25%

### £500-£1,999 5.25%

### £2,000-£4,999 5.75%

### £5,000-£9,999 6.00%

### £10,000-£24,999 6.25%

### £25,000 and over 6.50%

### CAPITAL BONUS 6.25%

### £500-£9,999 6.50%

### £10,000-£24,999 6.75%

### £25,000 and over 7.00%

### Half-yearly or monthly income rates 6.00%

### £500-£4,999 6.25%

### £5,000-£9,999 6.50%

### £10,000-£24,999 6.75%

### £25,000 and over 7.00%

### Monthly income rates available from £2,000

### CAPITAL BOND 7.00%

### £1,000 and over 7.00%

### INCOME BOND 6.75%

### £2,000 and over 6.75%

### INTERNATIONAL ACCOUNT 3.25%

### DEPOSIT ACCOUNT 3.25%

### TREASURERS ACCOUNT 3.25%

### Details of prevailing rates at all branches.

### FOR INFORMATION

### Existing account holders only.

Interest on all other accounts with the merged Society have been reduced by 0.50% with the following exceptions.

### MONTHLY SAVINGS 5.00%

### £1-£300p (including bonus)

### JUNIOR SAVINGS/CENTURY CLUB 4.50%

### Including bonus

### CAPITAL SHARE 9.0 6.15%

### £20,000 and over 6.50%

### DEPOSIT ACCOUNTS (All) 3.25%

### INSTANT GOLD OVERSEAS Gross 4.00%

### £250-£4,999 Gross 7.00%

### £5,000-£9,999 Gross 7.50%

### £10,000 and over Gross 8.00%

### CAPITAL SHARE 30 OVERSEAS 7.25%

### £500 and over Gross 7.75%

### CAPITAL SHARE 90 OVERSEAS 7.75%



Nationwide Anglia Building Society

Chesterfield House, Bloomsbury Way, London WC1V 6PW

All rates quoted are net annual interest rates, assuming basic rate income tax at 25%, except where indicated. All other terms and conditions relating to the above accounts remain unchanged.

## FINANCE & THE FAMILY

Andrew Taylor on how Eurotunnel aims to counter P&O's fare wars

## Tunnel looks to sink ferry threat

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## • FINANCE &amp; THE FAMILY •

John Edwards reports on Scottish influence in the financial services sector

# The Swiss of the North Sea

GO TO any financial adviser for an insurance, pension or investment product and there is a good chance that you will be recommended one managed by a Scottish company.

Most of the leading life insurance companies, including Standard Life, are Scottish based and there is a roll call of Scottish names managing pension funds, investment and unit trusts for private and institutional investors. Scotland has a financial services industry far bigger and more widespread than would be expected for a country of its modest size and population.

The volume of funds managed from Scotland, particularly in Edinburgh, is estimated to total around £51bn (498 bn), and it claims to be the second largest investment centre in Europe.

Only last month US fund managers Templeton, Galbraith and Hansberger announced that they were setting up their European headquarters in Edinburgh, and Bankers Trust chose Edinburgh as its location for a global custody service to investors. Financial services is the fastest growing business sector in Scotland and is the biggest single employer, accounting for 8.3 per cent of the working population.

According to Professor Jack Shaw, executive director of the

Scottish Financial Enterprise organisation, it was a bit of an historical accident that the Scots became "the Swiss of the North Sea."

The industrial revolution generated a great deal of corporate and personal wealth in Scotland. The Scots tended to want to save and accumulate, rather than spend their money on themselves as did their English counterparts, so money poured in from industries such as the jute trade, shipbuilding and coal mining, mainly via the banks, accountants and solicitors, into financial vehicles such as investment trusts.

With limited domestic possibilities, the Scots looked abroad for investment opportunities. Scottish fund managers financed railroads and cattle ranching in the US, and had early exposure to the Japanese markets. They gained considerable expertise at managing other people's money and established large insurance and investment trusts for the bulk of their business.

Another threat was that the Scottish houses would be left behind while London, encouraged by Big Bang, took the lead in the English counterparts that hit the Depression and thus were not swallowed up in big groups. Over the years Scottish financial institutions continued to prosper, but



Jack Shaw

complacency also began to creep in, particularly in the independent finance houses in Charlotte Square, which relied on investment trusts for the bulk of their business.

Staff costs are estimated to be some 20 per cent lower than those in London, with plenty of

good-quality people available. In spite of the lower salary levels, surprisingly few executives have been attracted by the bright lights of London; indeed there have been some moves in the other direction. Money is not the only priority. The quality of life in Scotland is considered to be better, with less pressure and the ability to drive to and from work in a few minutes.

In fact, Big Bang, and subsequent insider dealing scandals in London and New York, have done no harm to the Scottish investment community. Institutional and private investors, worried by conflicts of interest and having little confidence in so-called Chinese walls, have been attracted by the independent approach offered by the Scottish houses. They also like the stability of staff in Scotland compared with the merry-go-round in London.

With the improvement in communications making the distance from London of less and less importance, Scotland is able to play on its advantages of having much lower overhead costs. Commercial property rents in Edinburgh and Glasgow at around £10 to £12 a sq ft are about a fifth of those in Tokyo, and a third of those in New York.

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good-quality people available. In spite of the lower salary levels, surprisingly few executives have been attracted by the bright lights of London; indeed there have been some moves in the other direction. Money is not the only priority. The quality of life in Scotland is considered to be better, with less pressure and the ability to drive to and from work in a few minutes.

The stock market crash in October supported this approach. There have been few redundancies among the Scottish financial community, which is continuing to expand. Scotland escaped the worst of the aftermath of Black Monday, perhaps because most of its institutions act as agents rather than principals and are not market makers or dealers. At the same time the claim of Scottish investment houses to be more interested in the long-term view, instead of quick short-term gains, was given a lot more credibility by the crash.

With the Scottish clearing banks also pushing aggressively into the rest of Britain, Scottish companies are likely to continue featuring prominently as providers of financial products to England and Wales, and also to the European Community when harmonisation takes place in 1992.

was fought off, it was decided to proceed with the formation of Adam & Co, named after the famous Scottish philosopher and economist, Adam Smith.

Adam & Co, with a capital of only £10m, has prospered since being given a licence to operate by the Bank of England in December 1983. It quickly opened a branch in London's West End and more recently in Glasgow.

As a subsidiary of the Midland, the Glasgow-based Clydesdale Bank went through a bad patch, starved of funds for development and restricted from expanding outside Scotland. In recent years, especially, it suffered badly from the problems affecting the Midland and lost ground to its competitor.

As far as the National Australia Bank has yet to make clear its detailed intentions about its strategy to revive the flagging fortunes of the Clydesdale, which celebrates its 150th anniversary this year. But it has said it expects Clydesdale to become a significant force in personal finance in the south of England within three to five years.

One result of the abortive bid for the Royal Bank of Scotland made by the Hong Kong & Shanghai group in 1982 was the creation of a small new bank in Edinburgh. Alarmed by the prospect of the Royal being taken over, several Scottish business men looked at the prospects for a specialised banking service. Although the bid for the Royal

and the revolving credit and building accounts.

Clydesdale Bank, the third biggest Scottish bank, is expected to undergo a transformation following its change of ownership. The National Australia Bank acquired it last year from the Midland and lost ground to its competitor.

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## Eric Short on problems facing life companies

# Commission bombshell

THE NINE Scottish life companies between them have around 40 per cent of the UK market — but that share is now in jeopardy as they face problems they have never experienced before.

These do not arise from any deterioration in their expertise. They have long provided a top-class investment showing for their policyholders and all nine have figured prominently for many years in the with-profits performance tables. Indeed, they are still there, with Standard Life topping the tables for all terms.

Immediate business prospects look rosy, particularly with the introduction of personal pensions and the fresh opportunities in company pensions. New business results for the first quarter of Scottish Amicable and Scottish Life show a continued sales boom, particularly in self-employed pensions and mortgage-related business.

The problems facing the Scottish companies, and some English ones, relate to likely developments in marketing life policies and pensions in the new financial services environment.

Scottish companies have always relied on independent intermediaries. With the exception of Scottish Life, they have rejected publicly any moves to set up their own sales forces, either as employees or company representatives.

Under the "polarisation" requirements of the financial services legislation, life salesmen must either be truly independent or represent just one life company. Under the best-advice requirements, independent intermediaries have to have a detailed knowledge of the complete market.

Financially, they must have an acceptable capital base and conform to stringent accounting requirements — problems that company representatives do not face.

The reaction of the Scottish life companies was to link up with their English counterparts to



from the Campaign for Independent Financial Advisers (Cifa).

This campaign had two objectives: first to persuade intermediaries that there was a future in remaining independent; and, second, to induce the public to use independent advisers when buying life assurance, pension contracts and unit trusts.

The companies backing Cifa, with Scottish companies in the majority, have committed £7m to the campaign with plans for blanket TV and media advertising nationwide. Until this week, all the signs pointed to widespread success in both objectives.

The companies are still trying to assess the implications of the announcement and it could take weeks to discover how the intermediaries feel. Already, though, the companies are looking into methods of restructuring the pricing of their contracts — no load and back-end loading are two possibilities — that would minimise the impact of commission disclosure and persuade intermediaries to remain independent.

This means that, from 1980, all independent intermediaries will have to disclose to clients at the time of a sale the actual amount of commission they get. Company representatives have no such obligation.

The life assurance industry consistently has opposed full disclosure of commissions on the ground that it will discourage people from taking out policies and pensions. There is a real fear now that intermediaries will play safe and elect to be company representatives so that their clients still do business with them.

Certain English-based life companies, such as Friends' Provident Life Office, decided to ensure their new business sources by having both company representatives and using independent intermediaries.

To show their faith in Cifa, Scottish life companies undertook not to set up their own direct sales forces for at least 12 months, a commitment that was renewed recently. Now, though, they may have no alternative but to reverse this decision.

However, it takes time, trouble and money to set up a sales force, and the latter requirement poses other problems for the Scottish companies.

All except the Life Association of Scotland are mutual life companies and their only source of capital is internal reserves. Existing and potential new business developments have already imposed a drain, and setting up a direct sales force is extremely capital-intensive.

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## A reputation for performance

Christine Stopp looks at the unit trust industry in Scotland

AT THE END of last year, Scottish groups were managing £2.7m — or 13 per cent — of the £36.5bn invested in unit trusts nationwide. The Scottish end of the industry has a character of its own and a reputation for performance.

Last week's Scottish Money Show awarded a prize for the best unit trust group, based on performance against the average across all sectors. Dunedin was the winner and Scottish Widows, which came first last year with its Pegasus Trusts, was runner-up. On the same basis, Dundee was ranked seventh against the industry as a whole.

In terms of marketing philosophy, the Scottish groups are not typical of the industry as a whole. Most run a relatively

small number of funds, of general rather than specialised character. They tend to prefer steady, stable growth to the meteoric but fickle rush of interest generated by Belgian Whidbey Trusts and the like.

The Scottish unit trust industry is a new phenomenon: 13 of the groups have launched trusts only since the start of the 1980s. So, why are venerable institutions like Scottish Widows and Dunedin, the oldest investment trust of which dates back to 1879, getting in on the unit trust act?

The received wisdom where investment trusts are concerned is that groups see no future in their traditional product and are looking for something new to boost revenues in years to come. But David Skinner, managing director of Martin Currie, which owns Scottish Unit Managers (SUMs), takes great exception to that theory.

He thinks the two products can exist side by side and says: "Some people will always be unit trust people. Some people's natural home is investment trusts. We haven't been purely an investment trust group for five or six years. It's now only 30 per cent of our business."

With SUMs' recent UK recovery trust launch attracting only £900,000 against an expected £4m, Currie might have to be patient for a while before the unit trust arm with £90m under management pays its way as part of a group with total funds of £20m.

"It is something we're serious about," says Skinner, who has just appointed unit trust fixer

would include property and cash.

Graham thinks the group has several advantages in the unit trust sphere: greater research resources, with many direct contacts in the markets where smaller groups would go through brokers; a tendency to look long term; and a good deal of muscle when it comes to systems — something for which customers may have cause to be thankful at a time when administrative difficulties are rife in the industry.

One might also add that the Widows have a reputation to keep up and a long history — both reassuring factors when you are looking for a long-term home for your capital.

Dundee unit trust managing director John Wood also quotes the long-term view, coupled with consistency of performance, as the lynchpins of the group's investment philosophy. His dilemma is how to get the group's name known to a wider audience and how to educate the consumer to an investment view which believes in a geographical spread rather than high-risk specialist trusts.

Dundee works hard at efficient administration and at keeping investors informed. As investment managers, says Wood, "we're a little bit Scottish, too — there's no harm in that. We are further than most from the fray. Many Scottish groups make a virtue of being based in Edinburgh, away from the fast-moving centre of the City of London.

Investing in a Scottish unit trust group is not a guarantee of performance. Some groups do better than others and each has its successes and failures. The philosophy is distinctive: generalist funds for steady, long-term performance rather than specialist funds by the handful. And although new to unit trusts, many of the groups have a pedigree which suggests that management competence can be taken as read.

## Ambition rules

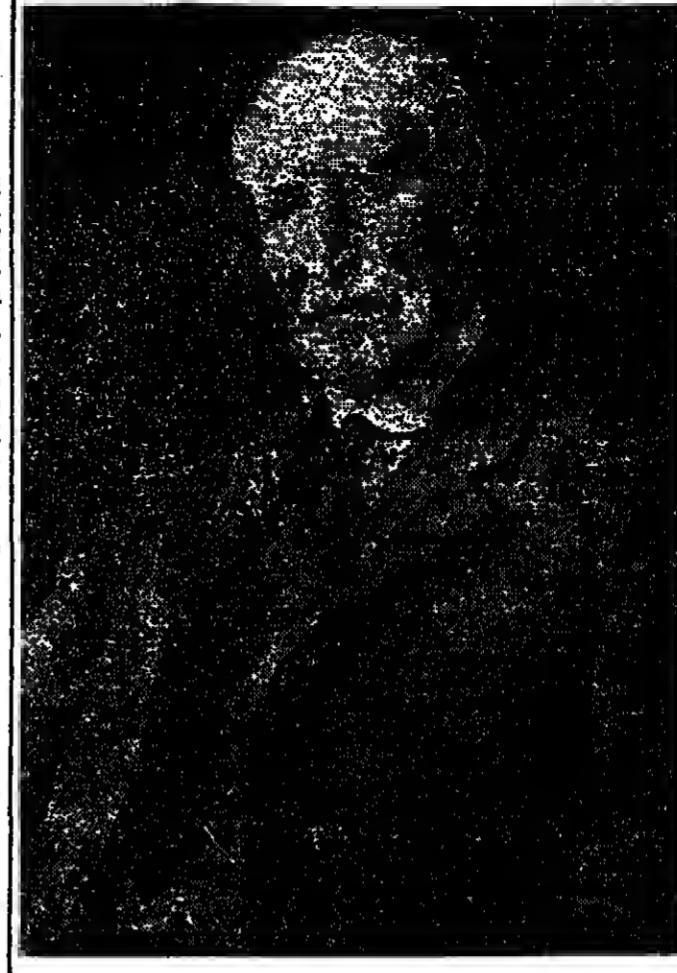
William Cochrane on three Aberdonians who are thinking big . . .

THE LOWLY rating of the investment trust sector in 1985 brought out takeover predators, or the threat of them. Of the two investment trusts that were managed from Aberdeen, Scottish Northern was unitised and transferred to Murray Johnstone in Glasgow. Aberdeen Trust, similarly unitised, had its administrative, marketing and investment management functions parcellled out, with the latter going effectively to its three executive directors — George Robb, Martin Gilbert and Ronal Scott Brown.

They are now incorporated as Abstrust Holdings and managing £140m of funds, or twice the amount with which they started in 1985. Of that, £55m is in unit trusts, £4m is pension fund money, £24m comes from private clients and "other" sources, like charitable funds, account for £12m.

Abstrust's unit trust performance, says Robb, is the best in Scotland. But this year it will have to perform against a bigger geographical backdrop following its acquisition last December of Baltic Fund Managers, which gives the company a staff of 25 in Aberdeen and 15 in London. Abstrust has big ambitions. It sees a lot of scope in being the only independent in the north of Scotland, and its appetite for acquisitional growth seems likely to keep it in the public eye.

## FINANCE & THE FAMILY



The father of investment trusts . . . Robert Fleming, who started the movement in Dundee, Scotland, in 1873 when he was only 23.

However, the company learned to be circumspect. An intriguing restraint in its early years was a standing order that no loan should be granted to any religious or charitable body, in view of the possible odium which might be attracted should such a venture be necessary.

By the time of the First World War, the company's dividend was 10 per cent higher than on its formation and the price of the ordinary shares had risen by more than 60 per cent, broadly in line with the growth in asset value. By comparison, says the company, retail prices in 1914 were no higher than they had been 40 years previously.

Alliance is also small enough to remember its mistakes. A 1,200-acre Arden Heights plot east of Fort Worth, Texas, was bought in the 1880s and sold, undeveloped, in 1904 for \$10m. Today, it is a prime residential area worth substantially less.

Suggett says that shareholder loyalty goes back three or four generations in some cases and that it has not been disturbed visibly by the events of last year when the October crash and dollar depreciation sliced nearly \$23m in value off a US equity portfolio which started at \$22m on January 31, 1987.

Looking back, they can hold onto the experience of the past 40 years which traces the ebb and flow of the equity. In this period, dividends rose by a multiple of 62 times and the net asset value of the ordinary shares by 47 times, compared with 13 times for the retail price index.

Looking at the past six months, shareholders were probably quizzed in the aftermath of the October crash by the distinctive, if muted, style of the management.

Alliance has no ambitions to become some sort of financial megahouse. It is an investment trust and its management is known by the Alliance name, rather than shoring itself with pension funds, unit trusts and other financial enterprises.

It is pleased to be away from the turmoil of the big city. "So long as telecommunications operate and mail is delivered, there are definite attractions in being detached from the cauldron of London in a large financial centre," says the company.

The Alliance is not interested in "gamblering" financial hits — men major on hot air and short-term performance objectives. It wants people who are interested in the pursuit of excellence over a longer period, and who want a good quality of life and working environment rather than to get rich quickly.

"People who come to work here know our style before they arrive," says Suggett. "Young managers might not make their fortunes, but we all like working here."

## Make your fortune with IT

The Scots have always displayed great skills in money management. Their investment trusts especially have achieved high returns, not least over the last decade or so. If you want to share in the action, the latest issue of the Investment Trusts will be of great help to you. It focuses on Scotland and has in-depth data about its investment trusts, which manage £16 billion of funds between them.

It is usually only available on subscription at £10 a year, but as a special introductory offer, a single copy of the latest 60-page issue, No. 7 in the series, can be had at £5.

As well as its special coverage of Scottish trusts issue No. 7 also provides information about investment trusts in general and includes comprehensive performance data for all investment trusts.

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## • FINANCE &amp; THE FAMILY •

## The cost of loan notes

Following a take-over in July 1986 of shares I had bought in June 1976, I elected to take loan notes, bearing interest at money market rates, instead of cash.

I have understood the original cost of the shares to July 1986 to give the cost of the loan notes at that date. I cashed in some of the loan notes in September 1987. I would like your advice as to whether the cost of the loan notes can be deducted from July 1986 to September 1987 to reduce the amount of the Capital Gains involved.

If the loan notes were "corporate bonds," as defined in section 84(2) of the Finance Act 1984, the answer is no. By virtue of paragraph 10(1) of schedule 13 to the Finance Act 1984, the chargeable gain arising last September has to be calculated by reference to the market value of the old shares at the time of the part-disposal rules.

If the loan notes were not "corporate bonds," the answer is that the cost of the old shares should be indexed straight through to the redemption of the notes last September (subject to the part-disposal rules), by virtue of paragraph 7 of schedule 13 to the Finance Act 1984, in conjunction with section 85(3) of the Capital Gains Tax Act 1978.

If you do not know whether the loan notes were "corporate bonds," ask the company which issued them to you. However, this is a point which must have been explained in the takeover offer document, so presumably you do know whether they were or not. If you have not already done so, ask your tax inspector for the free pamphlet on indexation relief for listed shares etc. CGT12 (1986).

## Insurance wrangle

I would appreciate advice on how to resolve a dispute with my building society over the amount of house insurance I should have. In September 1985 the building society agreed to an insurance valuation figure of £55,400. In 1987 I had a loft conversion built at a cost of £20,000. To pay for this I increased my mortgage by £10,000 to £25,000.

Prior to giving me the further loan the society reviewed my property and has indicated that it

be insured for £20,100. I have had the house independently surveyed and the surveyor suggested a figure of £70,000. The society refused this valuation and was adamant that I must insure for £20,100.

I find it most annoying that the society can insist on their valuation when their stake in the property is so small.

The property has a value of around £260,000, but this is due to its location and size of garden, not to its size. What is the best course of action?

There is little you can do, short of re-mortgaging your property with a more amenable mortgage. However, you must remember that the value which you have to consider for insurance purposes is not the market value of the property, but the cost of rebuilding in the event of total destruction of the property on that basis your lower value may well be insufficient.

## Help for nephews

TWO of my nephews are buying their first homes, unfortunately for me both at the same time.

I am in a financial position to help them in their purchases, but do not wish to be involved in any gifts or payments to the Inland Revenue. The sum of money involved I expect to be around £25,000 which is well above the £20,000 annual exemption.

1. I believe that providing I live seven years (I am 62) no capital transfer tax will be involved immediately or after the seven-year period.

2. How do we involve the Inland Revenue? Do I and my nephews declare the gift on our tax returns?

3. An alternative way helping them could be with an interest-free loan; does this have any tax complications?

If I die suddenly, my estate which has low house value compared to cash/share assets, would be involved in some capital transfer tax. Therefore being a single person, I feel this is the opportunity to reduce my liability in the most tax efficient way.

1. Correct; the tax is now inheritance tax.

2. You declare the gift in your tax return.

3. This is possible, but less useful, as the loan must be repaid to your estate.

Your better course would be to give £3,000 (or £6,000 if you have not used last year's exemption) first, and then to give the balance shortly thereafter, thus limiting the amount which would attract tax if you do not survive the full seven years.

## Family decisions

My aunt has recently been taken seriously ill and neighbours have moved her to a nursing home from her own house. I heard a number of days later and visited again, having bought a new principal residence. I told my inspector to assist as much as possible.

My aunt married late in life to a man who had previously been married and who had a son of mature age. Decisions concerning my aunt's welfare are now necessary and I would like to know who is responsible and who is considered to be the next of kin, myself or the son of my aunt's late husband. She has not given any instructions relating to her affairs.

You are the next of kin as being a blood relation. Your aunt's step-son is no relation to her in law.

## Will details withheld

My brother died last May and two weeks after his funeral I discovered that I was co-executor, together with his widow. Since then my sister-in-law has collected the will from a security box of a bank, but despite repeated requests by me she has told me nothing about it.

My solicitor wrote to her, pointing out rules of the 1988 Codicil of Wills Act and so on. Her solicitor replied by saying that as all the assets were in joint names, there was no need to prove the will.

Is this correct? How do I stand if the will is contested or complications arise at a future date?

Would it be best for me to go to court and ask to cease to be an executor?

It is correct that it may be unnecessary to prove the will. You can renounce probate if you wish not to be sure that the will is not proved without your knowledge.

1. Correct; the tax is now inheritance tax.

2. You declare the gift in your tax return.

3. This is possible, but less useful, as the loan must be repaid to your estate.



No legal responsibility can be accepted by the Financial Times for the answers given to these columns. All replies will be answered by post as soon as possible.

## Moving plea

I recently sold my principal residence and moved to live in a country cottage which I had owned for some years. After about five months I moved again, having bought a new principal residence. I told my inspector to assist as much as possible.

If I now sell my country cottage, at what date do I set my acquisition cost? March 31, 1982, or the date when I moved from it to my new principal residence?

If I now sell my country cottage, through the same solicitors who acted for you in the purchases and sales. All good solicitors nowadays have someone in the firm who is competent in the tax laws relating to domestic property transactions.

We take it that, before the second anniversary of the purchase contract of the cottage (or of your former house, if that was bought after the cottage), you gave notice to your tax inspector that your former house was to be treated as your main residence for CGT purposes, in accordance with section 101(5)(a) of the Capital Gains Tax Act 1973.

That being so, you should immediately give notice that the cottage is to be treated as your main residence with effect from two years before the date of this notice; before the second anniversary of the purchase contract of your new home, you should give notice that it is to be treated as your main residence with effect from the purchase.

These recommendations are, of course, based upon the inadequate data you provided – you might have to go back to the solicitors for precise guidance. If so, do it without delay.

The chargeable gain on the sale of your cottage (assuming a sale contract after April 6) will be based upon either the original total cost of the cottage (assuming a purchase contract after April 6, 1982) or its market value at March 31, 1982 (with any siting premium or discount).

It is correct that it may be unnecessary to prove the will. You can renounce probate if you wish not to be sure that the will is not proved without your knowledge.

1. Correct; the tax is now inheritance tax.

2. You declare the gift in your tax return.

3. This is possible, but less useful, as the loan must be repaid to your estate.



A modest affair: Glasgow Stock Exchange

## London's rival

GLASGOW is not normally regarded as a financial centre. But it is home for the only share dealing "floor" still operating in Britain, following the closure of trading on the London Stock Exchange.

Tucked away in 7 Nelson Mandela Place in the city centre it is, admittedly, quite a modest affair with only 20 local market-makers. But as the Scottish unit of the International Stock Exchange, all the major stocks are traded via the SEAQ screen.

The two market-makers, Aitken Campbell & Co. and R.A. McLaren & Co., which have no private clients, operate in up to 40 local stocks and compete for business with their bigger brethren in London. There are more than 200 members altogether.

R.A. McLaren, which is a completely independent company, says it could not survive if it depended on Scottish brokers alone. But it also receives business from local, north of England or overseas brokers who find Glasgow easier to contact and quicker to deal with than London.

One Glasgow stockbroking firm, Parsons & Co., was responsible for creating the Allied Provincial Securities network which now has 24 branches ranging from Aberdeen to Plymouth.

Anticipating the effects of the Big Bang and the Financial Services Act on the stockbroking community, Parsons approached two potential partners – James Capel, the London-based broker, and Postle, the Post Office pension fund. The upshot was that each took a 24 per cent stake, leaving the remaining 32 per cent to be divided up among the stockbroker members of the new company, so giving them a controlling interest.

Through the link with Capel, member companies are able to provide top-quality research on 400 companies to clients; and Allied Provincial also has sufficient financial resources for the computer systems and technology needed to compete with the banks. The bulk of the membership is in the north but it is developing in the south and recently established a link with the National & Provincial Building Society to provide a stockbroking service.

Although Edinburgh is known better as a financial centre, Glasgow traditionally has been the stockbroking hub in Scotland, drawing on business from local industries although some of these have moved away. But Glasgow still is the headquarters for several leading financial houses including the Scottish Amicable and Scottish Mutual and FS Assurance life companies – as well as one of the most successful investment houses, Murray Johnstone.

This originally was the investment trust department of a firm of accountants which later became the Ernst & Whitney group. Murray Johnstone was hived off as early as 1968 to avoid a conflict of interests and taken over in 1974 by its main clients, the Murray Trusts, to become completely independent.

It has grown considerably since then, at one stage reaching a peak of \$25bn in funds spread between pensions, investment trusts, unit trusts and venture capital. It also has established joint ventures with US and Japanese companies to manage international fund portfolios.

Like its Charlotte Square compatriots in Edinburgh, Murray Johnstone is keen to stress that it is a pure investment house with no conflicting interests and, therefore, concentrates on the main task of managing funds.

The independence and concentration of investment management persuaded Nick McAndrew to leave Rothschild in London recently to join Murray Johnstone.

Through the link with Capel, member companies are able to provide top-quality research on 400 companies to clients; and Allied Provincial also has sufficient

John Edwards

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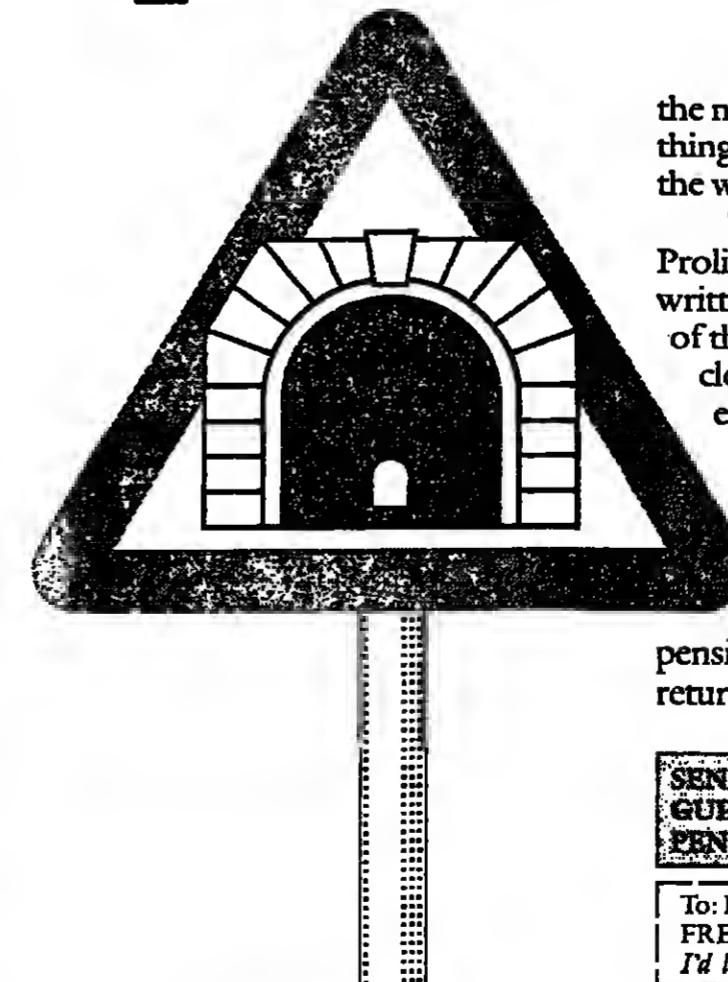
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## • TRAVEL •

To start our two-page Scottish Travel Special, Martin Hoyle describes the Jekyll and Hyde nature of Scotland's capital, one of the great European cities. Its neo-classical grace outdoes Bath. And we take a luxury train ride north of the Border.

# Edinburgh — the genteel and the sinister

**THERE IS** a school of thought, probably originating among Yorkshiremen but not confined to them, that the further north you go in the British Isles the more civilised life becomes. Edinburgh remains the living proof of this, though — as elsewhere — civilisation has been acquired at the price of a certain schizophrenia.

For Edinburgh is the Jekyll and Hyde city. One local son, the respectable Deacon Brodie, inspired that chilling tale of dual personality from another (Robert Louis Stevenson), and until recently the sedate and the sinister rubbed shoulders.

Even in the Sixties one turned from the elegance of Princes Street to its (literal) parallel, the narrow Rose Street, with its red light areas and occasional pubs that smacked more of pre-war Berlin than the granite stronghold of John Knox. Up in the Old Town police would warn Festival-goers to travel in groups at night along those cobbled wynds and closes, and a stage production of the Dylan Thomas screenplay about body-snatchers Burke and Hare had nervous playgoers scuttling back to their lodgings as if expecting the murderous meat-suppliers to emerge from the towering tenements or darkened alleyways.

For, like the Scots character, Edinburgh is a mixture of the repressed and the riotous. The duality is still apparent, despite the blandness concomitant with tourism, development and breathtakingly crass local government. Just below the castle, the church of Tolbooth St John has the builders in. It no longer advises us in Gaelic about services in the old tongue but promises "the Edinburgh experience".

Rose Street is the ultimate in pedestrianised chic. Princes Street is now your average High Street — albeit boasting a staggering view — with tell-tale signs of the unbelievable, mercifully aborted, plan for Sixties uniformity (ground-floor shop-fronts, first-floor walkway) borne like crippling battle-scars.

Yet the city is one of Europe's marvels, as Muriel Spark's Miss Jean Brodie never tired of telling her charges, Edinburgh is a great European capital. The Englishman feels he is abroad: those stepped gables and jostling courtyards have more in common with continental Europe than with south Britain — the town of Hume and Adam Smith and Smollett.

The medieval city-plan can be discerned in the Royal Mile, the road that slopes from the castle on its peak down to the palace of Holyrood House, and the tenement courtyards and alleys that lead off it — from one of

which Wordsworth beat a distressed retreat to avoid the urchins who, spitting on him from an upper window, combined nationalism with literary criticism.

But the Enlightenment (much more marked here than in London) has an enduring monument, built as the result of a competition in 1766, a staggering example of modern town-planning in its neo-classical grace and stateliness. Forget Bath, ignore Brighton: Edinburgh's New Town unfolds in serried terraces. Corinthian crescents and luxuriously curved crescents, all as studded with leafy parks and gardens as an expensive chocolate liqueur.

Charlotte Square is the Adam masterpiece, the whole New Town

Like all great cities Edinburgh is made up of villages, none more compact or discrete than Dean. Alas, the serendipity of discovering this almost deserted jumble of mills and warehouses, towers and cottages, one sunny afternoon is merely a memory; gentrification and tactical development have put the hidden hamlet nesting in its valley on the banks of the Water of Leith (it should be Leith) on the map.

Buildings from the 17th century to the 19th are flanked by green slopes and the backs of tenements high in the distance; the red pinnacles of a Victorian philanthropist's baronial extravaganza form an aptly fantastic focal point to this fairytale hollow. The sound of rushing water belies the village's central position; you hear no traffic, but Princes Street is a few yards away.

Dean Village is entirely residential. Among communities with shops and urban amenities, Stockbridge has the whiff of a less pretentious Hampstead, a less phoney Notting Hill terrace, and crescents beset by Water of Leith, advance towards the lovely Botanic Gardens (where the panoramic views of Old Town's spires look almost like painted backdrops) and come to the Colonies, an enchanting early Victorian experiment in artisan housing: miniature terraces of two-storey houses, each one a pair of flats, each with separate entrance — including external staircase — in different streets.

The real difference between Edinburgh gentrification and London yuppie is dramatically underlined by the port of Leith. To compare its recent rejuvenation with London's dockland is tempting but misleading. No communities are uprooted here, nor does the development result in artificial transplanting to hothouse residential areas: a few minutes by car takes you from the waterside restaurants and converted warehouses to the centre of Edinburgh (equivalent compactness is unthinkable in London). Above all, property prices are geared to normal people, not speculatively-minded gamblers.

While in Leith an incidental pleasure, which could easily become central, is to be found in a characteristic stone pile, a modern club in an 18th century setting above 13th century vaults, where the Scotch Malt Whisky Society continues the great Scots tradition of civilising the outside world.

The English traveller may relish the exhilarating foreignness of Scotland, but not — happily — to the extent of needing a passport for the most fascinating city in Europe.



Castle Hill, top of Royal Mile, Edinburgh

## BRIEFING Road to the Isles

**BRITISH** Airways (01-897-4000), British Caledonian (01-632-4222), British Midland (01-551-0664), Air UK (01-549-7073) and Dan Air (01-585-1747) fly to Scottish destinations. Flights start from 270 return to Glasgow.

By road, the M1 and M6 are the quickest routes. Edinburgh and Glasgow are about 400 miles from London, so allow a comfortable eight hours.

British Rail Inter-City travels from London to Edinburgh or Glasgow from King's Cross or Euston respectively, in about five hours from 422. Overnight sleepers operate from London and Bristol to Edinburgh, Glasgow, Dundee, Perth, Aberdeen and Inverness. Details from British Rail (01) 587 7070.

**FOUR** major British travel agencies have combined with British Airways to launch special interest holidays in the Orkney and Shetland Islands. Bird watching and trout fishing are among the programmes offered. A six-night self-drive trip starts from £212, with flights from London, Birmingham, Manchester, Edinburgh, Glasgow, Aberdeen and Inverness.

**GREATER** Glasgow Tourist Board is offering to arrange tailor-made holidays to coincide with the city's Garden Festival. Accommodation offered in and around Glasgow includes city flats, traditional cottages, modern chalets and even caravan sites as well as city centre hotels and country house hotels. Potential visitors are invited to complete a form detailing the type, cost, of accommodation they seek.

Further details from Greater Glasgow Tourist Board, 39 St Vincent Place, Glasgow G1 2EE. Tel: (041) 227-4885.

**ABERCOMBIE** & Kent has launched a programme of all-inclusive Scottish country house weekend breaks. For £240 per person, the company offers return flights from London, car hire and two nights full board in one of six Pride of Britain Scottish country house hotels. Fishing, shooting, riding, tennis, croquet and golf can be arranged.

Further details from Abercrombie & Kent Travel, Sloane Square House, Hobkin Place, London SW1W 8NS. Tel: (01) 730 9600.

**ABERDEEN** University is offering seven-day guided walking holiday for £160, including meals and accommodation in the university's Johnston Hall, Old Aberdeen. Grampian Wild Land Guides will lead tours on Donside and Royal Deeside, exploring the wildlife and fauna of the hills and moors.

Other tours available during the university's summer vacation include study breaks on castle heritage, the natural history of north east Scotland and genealogy. Activity holidays include cycle touring and archery.

Further details from Kings College, Aberdeen AB2 1FX. Tel: (0224) 272664.

**THE** Scottish Tourist Board produces an excellent publication listing events in Scotland throughout the year, from Glasgow's Mayfest to Pitlochry's Strawberry Fayre and the Banff & District Antiquarian and Fiddle Club.

Contact the Scottish Tourist Board, PO Box 15, Edinburgh EH1 1UY. Tel: (031) 352-2424. In London, the Scottish Tourist Information Centre is at 19 Grosvenor Street, Tel: (01) 580 9651/2/3.

**AMONG** Scotland's superlative pleasures are its gardens. Scotland's Gardens Scheme at 31 Castle Terrace, Edinburgh, publishes a list of public gardens open daily and of private gardens open to the public at certain times of the year, Inverewe in Wester Ross, which benefits from warm Gulf streams, houses thriving exotic species. Details from the public garden in Port Logan, Galloway. The National Trust for Scotland at 5, Charlotte Square, Edinburgh, provides information on Scots gardens as well as on the many Scottish castles and fortified houses which span the medieval and Victorian ages.

Annalena McAfee



The Royal Scotsman: pulled by steam from Inverness to Mallaig

**Angela Wigglesworth** goes on a Seafari to the islands of Muck, Rhum and Eigg

## Hebridean overture with birdsong

**EIGG** has a population of 70, Rhum 40 and Muck 30 and it is to these three small islands of the Inner Hebrides that boatman Murdo Grant is running his new Seafari holidays. "We found many people wanted to see more than one island but because of the official ferry time tables, they seldom managed to do so," he said, as we sat in the cosy saloon of his twin-engined boat, MV Shearwater, heading for Eigg (pronounced egg) 12 miles across the water from the mainland. "On the Seafari they'll have two nights on each island."

Eigg is five and a half miles long by four wide. Cormorants and seals perch on the harbour rocks, and golden eagles nest in the Sgurr of Eigg, a 1,281 ft. high block of pitchstone lava that seems to watch like a crouching lion over the island. The island's owner is Keith Schellenberg, who bought it in 1976 and planned to create a craft centre there. But the project failed. Some of the young craftsmen stayed on and now sell their work from Maggie Fyffe's hospitable kitchen.

There are two main communities, and on the road between them lie the village shop, the primary school for nine children, a church and the doctor's house. To

the north are the Singing Sands (so called because of the sound the rounded grains of quartz make when rubbed underfoot); a beach where otters play on the sand and the rocks are strangely shaped.

We reached it by walking across the fields from Cleadale, where narrow burns channel the soft grass, a sweep of pink heather and golden bracken on the hills. To the south east are the ruins of the tiny chapel of St. Donnan, the 7th century priest who brought Christianity to the islands, and a graveyard where Catholics lie buried close to the chapel, the Kirk of Scotland islanders relegated to the outskirts. The Reformation, I was told, never reached Eigg.

We found an almost hidden path through the woods around Kildonan Bay where the light at mid-day was as white as moonlight and a solitary grey heron stood motionless on the sand. We

gathered handfuls of tiny shells on Cowrie Beach and found golden chambered mushrooms in a wood where a spectacular waterfall gushed down sheer rock through the pine trees.

At Grunlin we saw all that remains of crofters' once-busy cottages, now just a haunting jumble of low stone walls. On the shore below is the huge MacDonald's Cave where in 1577 the MacLeods of Skye surrounded 300 islanders seeking refuge there, by lighting a fire at its narrow entrance. A few hundred yards to the west is Cathedral Cave with its high arched roof, the inner chamber used for services during years of religious persecution.

Peggy Kirk's 300-year-old farmhouse on the edge of Laiy Bay is a lovely place to stay. The bedrooms are prettily decorated and mine had magnificent views across the bay where the surf roars up one and a half miles of white sand. Mrs Kirk is an excellent

lent cook: broccoli soup, smoked mackerel quiche and whiskey pudding for dinner one night, rough porridge for breakfast.

There were gourmet meals, too, on Muck, the smallest of the islands at two miles across by one deep. Lawrence MacSween farms its 1,600 acres and his brother Ewen runs the eight-bed-roomed hotel (the only hotel) that took him six years to build and where he now does all the cooking. From the restaurant window you can, in ten minutes, see the sky change colour as many times.

You can walk round Muck (Gaelic for island of Pigs or Pigs-in-a-pen) in a day and that, said Ewen, is part of its attraction. "People feel they belong here very quickly, and with six sandy beaches and no cars it's ideal for families with young children."

I climbed Ben Airein, at 457 ft the highest hill on the islands, passing the beach where in Napo-

leonic times they burned seaweed to make gunpowder. At the top there was a marvellous view of the mainland and other islands. Skylarks sing here in early summer, puffins drop in for a few months in May, and it's home for buzzards and kestrels. In fact over 50 species of birds nest on Muck. At low tide you can walk across to Horse Island, a mass of wild flowers in summer and a haven for gullimots and shags.

Each island is completely different in character and landscape, and Rhum startlingly so. Eight miles by eight and a half, it's wild, mountainous and bleak. Some 500 years ago its peaks were pushed up from the earth's crust by volcanic action and most visitors come to explore its natural history and geology. In 1957 it was bought by the Nature Conservancy Council to use as an outdoor laboratory and its employees are the only per-

manent residents. You can walk over rough tracks to see the giant crag, climb rugged peaks some 2000 ft high, and see red deer, grey seals, golden eagles, Rhum ponies and Highland cattle. It has the largest colony of Manx shearwaters in the world and in summer orchids, gentians, primroses and bluebells grow in profusion.

It also has Kinloch Castle, built in 1901 by the island's owner Sir George Bullough, the stone embodiment of good King Edward's reign," according to John Betjeman. It's now run as a hotel and little seems to have changed since those early years, including the central heating system, Lady Monica's Withdrawal Room, and the chandeliered ballroom with minstrel's gallery. In the hall, an orchestra (mechanical organ) built for Queen Victoria, plays 284 operas. The bathrooms are resplendent with mahogany-enclosed baths whose

water homes of the Scottish gentry, reinforcing the sense of privilege.

A steam locomotive replaces the diesel engine on the Fort William to Mallaig route. Passengers travel on the spectacular North Highland line from Inverness to the Kyle of Lochalsh, considered by many railway buffs to be among the best rail journeys in the world. From there they journey through mountains, moors, glens, and forests.

The New Yorker who wrote in

the visitors' book that she found the Royal Scotsman "a nurturing experience" might well have been referring to the standard and quantity of the food. Working their way through an impressive selection of malt whiskies, passengers hear stories of Scotland's old foe and its said alliance, of Bonnie Prince Charlie and the fair Flora.

Such a strong sense of history and identity haled from Atlanta, Georgia, and went by the name of Dante Stephenson. Returning descendants of those shifted brutally from Scotland in the Highland clearances, and those with more dubious claims to the kilt, are pampered like lords as they journey through mountains, moors, glens, and forests.

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## • TRAVEL •

Scottish photographs in this edition are by Tony Andrews



Michael Wigan describes rich flora and fauna

## Unsung splendours of Sutherland

APPEARANCES confuse even those who should know better. The county I live in, Sutherland, is frequently referred to, not least by conservationists, as an important wilderness area. Yet it possesses a uniquely rich density and diversity of Britain's fauna and flora.

Half of our 1,500 species of wild plants and flowers are present, and what looks to the casual eye like an empty tundra, the metamorphoses in summer into an ocean of tiny colours and sweet aromas. This heritage is exploited by deer and sheep, sometimes in a fascinating way. As spring makes its painfully slow break-through in April, deer are found "moss-cropping," extracting from the ubiquitous sphagnum moss the minerals which their bodies at lowest ebb demand.

Early spring, not midwinter, is when many animals perish; when the first rich new shoots prove too powerful for unaccustomed stomachs. In late autumn, after the grass has died off, sheep will forage way out onto the inimitable ridges and slopes, crop the mosses to build up their reserves.

Sutherland has western, eastern and northern seabirds, and from coast to coast constitutes one enormous deer forest crossed only rarely by lonely one-track roads. Nowhere else do red deer enjoy such a large, undisturbed habitat, for Sutherland is more

fortunate than the Grampians in having few Munros (hills over 3,000 ft), and brightly-embazoned hikers admiring the ridges are an uncommon sight.

The rolling terrain of east Sutherland, known as the flow country, encourages the deer to move in huge parties, like plains antelope. In east Africa, O. taurinus in early August I have seen 800 stag in one congregation, grazing steadily across the face of the hill into the wind and holding the higher ground to keep off the flies.

As the rut approaches towards September 20 the stag parties break up and mingle with the hinds, whom they may attend until November. The exhausted stags then stumble, bellies drawn up, wasted and listless, back to their traditional wintering grounds. It has been shown that a stag will travel 50 miles in 24 hours during the rut, and it is an extraordinary thing that he will

go so far, passing many hind populations, before stopping to deposit his genes in a particular group.

The mechanics of the rut, stag travelling and deer's methods of avoiding inbreeding have not been studied, though Sutherland's generous latitudes are where it can best be done.

Hind groups are more organised and built around a family structure. They have better survival instincts and occupy a definite territory, or "heft." Where I live there is one party of 200 hinds hefted to a wide, formerly cultivated grassy basin, but more typically hind groups will be of 20 or 30. The leader will be about eight years old, and she will select feeding and resting areas depending on sun and wind.

Behind her will trot her recent calf, then last year's calf. The rear lookout will be an old hind normally without a calf. In

undisturbed conditions the hind will return to her own birthplace to drop her calf. Observing calving hinds, and the little spotted calves tottering after their mothers almost straight after birth, with their curious mewling bleats, is one of the pleasures of the hill in June. Wild hinds have a calving success of 90 per cent, and this is a testament to harsh Highland conditions that formed deer calves at around 90 per cent.

The rapid spread of commercial forestry in Sutherland, depriving red deer of wintering ground, has brought with it a proliferation of roe deer. The roe, also an ancient native species, is an extraordinarily astute and shy creature. How many roe stalkers have not found at the end of a frustrating series of engagements with an elusive individual that they have become the watched and not the watcher!

Roe are strictly territorial, and I believe that their sudden

appearance far out on the open hill is explained by population pressure in the woods forcing individuals to seek new ground.

Wildcats, badgers, and foxes have also moved into the warmer confines of the conifers, and thrive there in greater densities than on the moorland. We have a single old brock who has created a veritable hill fort of sandy soil in his years of solitary tunnelling far out in the deer forest.

I run a springtime business run to July with groups of birdwatchers. Without being unduly diligent we regularly clock up over 100 species in a week from a list of around 125. This includes some of Britain's most romantic birds, such as the black-throated and red-throated divers with their gaudy plumage, wild cry, and the winter whooping swans whose eerie honking hauntingly evokes the spirit of the northern hemisphere.

Eagles are increasing in numbers and during most of last summer I could go to the hill with the certainty of seeing one, either eating up the miles with a deceptively rapid glide, or soaring on motionless wings at high altitude. I also witnessed an avrey plunge into a hill loch feet first, emerge with a trout held below it like a torpedo, shake off the water, then circle higher and higher till it disappeared into the sky's blue bowl.

Two decades on, they have reason to be a little smug. Tullich Lodge has been restored to a splendour which would delight its original owner, advocate William Reid, who built the crenellated, turreted, granite residence round about the time Victoria and Albert moved up the road to Balmoral Castle. Mr Reid would, however, be more than a little surprised by the produce emerging from the kitchen of his former home.

No Victorian cook could have hoped to rival Neil Bannister's elegant cuisine, lauded in many

## Touch of Class

## Crenellated comforts



This week: Tullich Lodge, Aberdeenshire

international guidebooks. Tullich Lodge was the first restaurant to offer a dinner menu without choice and there have been no complaints and many repeat bookings.

Hector concentrates on the interior design and, in the three winter months the hotel is closed, re-upholsters the antique furniture and restores the mahogany and oak paneling. He has also carved a garden from the six acres of dense wood that once concealed the house. Tullich Lodge is not an intimidating

grand house. It is comfortable and faintly eccentric. A handsome Broadwood grand piano graces the drawing room and visitors are tactfully warned that it responds only to early 19th century music.

Visitors come to shoot, fish, play golf, visit the nearby medieval castles, to walk in Glen Muick in the shade of Lochagar past waterfalls and herds of grazing deer, or simply to rest. With only 10 rooms, the atmosphere is unequalled and unique. Hector Macdonald and Neil Bannister say that all hoteliers are ruined actors. Two decades after their debut, they still relish their daily performances at Tullich Lodge.

• One night room and breakfast costs £25. Dinner, room and breakfast from £60. Tullich Lodge, by Ballater, Aberdeenshire, Scotland AB3 5SB. Tel: (0338) 55406. It is about one hour from Aberdeen by road. Hector Macdonald will pick up guests from Aberdeen Airport or railway station in the hotel's 1954 silver Bentley.

Annalena McAfee

## Contracts & Tenders

### ONADEP 5 SECTION 1 INVITATION FOR BIDS

DATE OF ISSUE: 30th April, 1988

LOAN NO: 1838 UNI

IFB NO: ONADEP 5

- The Federal Government of the Republic of Nigeria has received a loan from the International Bank for Reconstruction and Development (The World Bank) in various currencies for the Oyo North Agricultural Development Project in Oyo State. It is intended that part of the loan will be applied for the purchase of Agro-Chemicals generally required for the operations of the project.
- Oyo North Agricultural Development Project now invites sealed Bids from eligible Bidders for the supply of the following items underlisted.

#### A G R O - C H E M I C A L S

GROUP	DESCRIPTION	QUANTITY
1.	Atrazine and Metolachlor (500 FW formulated)	40,000 lts
2.	Atrazine and Alachlor (formulated)	10,000 lts
3.	Glyphosate	5,000 lts
4.	Metolachlor and Metobromuron	10,000 lts
5.	Pendimethalin 500 EC (500 EC formulated)	5,000 lts
6.	Propicon (120 g/l) and Fluorodil (25 g/l) (25 g/l formulated)	2,500 lts
7.	Oxadiazon 25 EC	2,500 lts
8.	Metazaryl (10%) and Carboun (8%) and Furathioicarb (34%)	1,500 kg
9.	Carbofuran 3G	1,000 kg
10.	Thiram 25% and BHC 20% formulated	500 kg
11.	Cypermethrin and Dimethoate (25 EC formulated)	10,000 lts
12.	Desmetol 25 EC	10,000 lts
13.	Desmetol 50 EC	500 lts
14.	Carbaryl 85% WP	5,000 kg
15.	Phrimiphos Methyl (25% EC) liquid	20,000 lts
16.	Phrimiphos Methyl (2% Dust)	15,000 kg
17.	Aluminum Alide	10,000 kg

3. Interested eligible Bidders may obtain further information from and inspect the Sliding Document at the offices of:

1.04 NORTH AGRICULTURAL DEVELOPMENT PROJECT

HEADQUARTERS  
AHA ROAD  
P.O. BOX 276, SHAKI  
OYO STATE, NIGERIA  
OR

1.02 LIAISON AND COMMUNICATION OFFICE,  
OR 804, AGOOLI RESERVATION  
SECRETARIAT ROAD, OFF TOTAL GARDEN,  
P.O. BOX 7300, IBADAN,  
NIGERIA  
TELEX: 33120 ONADEP NG

1.3 HANS MEHR  
POSTFACH 10 44 49  
D-2000 HAMBURG 1  
WEST GERMANY  
TELEX: 2102579 MER D

- A complete set of Tender Documents may be purchased on submission of a written application from any of the above addresses on payment of Nigeria Naira 400, or outside Nigeria, Pound Sterling 80, or US-Dollars \$100. All Bids require SIS Security Documents to the value of not less than 2% of the total Bid in the format defined in the Sliding Documents and valid for not less than 120 days from date of Bid opening. Sealed Bids complete with attachments and documentation must be submitted to the Oyo State Tender Board as stated in the Bid Document not later than 10.00 am on 14th June, 1988. Tender will be opened immediately after, in the presence of bidders representatives who choose to attend, the same day, at the above venue in the office of the Military Governor, Oyo State, Ibadan, Nigeria.

#### J.O. ABE

PROJECT MANAGER AND CHIEF EXECUTIVE  
OYO NORTH AGRICULTURAL DEVELOPMENT PROJECT

## Company Notices



Incorporated under the laws of the Kingdom of Belgium

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Monday, 9th May 1988 at 11 a.m. at the Registered Office of the Company, Mechelesseccawc 271, Antwerp, Belgium.

#### BUSINESS

- To receive the Reports of the Board of Directors and of the "College des Commissaires".
- To approve the Balance Sheet, Profit and Loss Account and the appropriation of Profits, for the year ended 31st December 1987.
- To give discharge to the Directors and "Commissaires".
- To elect Directors.
- To elect a "Commissaire" and to determine his remuneration.

**NOTE**  
Holders of share warrants entitled and wishing to attend or be represented at the meeting should deposit, by 9th May 1988, either their share warrants to bearer or a certificate of their holding issued by their Bankers, at Banque Belge Limited, 4 Bishopsgate, London EC2N 4AD. Thereupon an admission card will be issued.

## ABN Bank

Algemene Bank Nederland N.V.

Incorporated in The Netherlands with Limited Liability

Paid dividend for the year 1987

At the Annual General Meeting held on 29 April 1988, a final dividend of Dfls 1.35 per share was declared and payable, in the option of the shareholders, in shares and cash or wholly in cash. An application for the shares and cash alternative would be entitled to a share premium based on the amount of one new ordinary share for every existing 50 ordinary shares together with Dfls 0.05 per share in respect of a premium of 10%. They will be entitled to one additional ordinary share of Dfls 10,- for every 50 shares no 2 from the ordinary shares presented at the following offices:

1. Breda, Postbus 100, 4700 AB Breda

2. Den Haag, Postbus 100, 2500 AA Den Haag

3. Eindhoven, Postbus 100, 5600 AA Eindhoven

4. Groningen, Postbus 100, 9600 AA Groningen

5. Haarlem, Postbus 100, 2000 AD Haarlem

6. Rotterdam, Postbus 100, 3000 AD Rotterdam

7. The Hague, Postbus 100, 2500 AD The Hague

8. Utrecht, Postbus 100, 3500 AD Utrecht

9. Vlaardingen, Postbus 100, 2100 AD Vlaardingen

10. Zwolle, Postbus 100, 8000 AD Zwolle

11. Amsterdam, Postbus 100, 1000 AD Amsterdam

12. Antwerp, Postbus 100, 2000 AN Antwerp

13. Luxembourg, Postbus 100, 2000 LX Luxembourg

14. Brussels, Postbus 100, 1000 BR Brussels

15. Paris, Postbus 100, 75000 PA Paris

16. London, Postbus 100, 1000 LO London

17. New York, Postbus 100, 1000 NY New York

18. Tokyo, Postbus 100, 1000 TO Tokyo

19. Sydney, Postbus 100, 1000 SY Sydney

20. Melbourne, Postbus 100, 1000 ME Melbourne

21. Hong Kong, Postbus 100, 1000 HK Hong Kong

22. Singapore, Postbus 100, 1000 SG Singapore

23. Tokyo, Postbus 100, 1000 TO Tokyo

24. Seoul, Postbus 100, 1000 SE Seoul

25. Tokyo, Postbus 100, 1000 TO Tokyo

26. Tokyo, Postbus 100, 1000 TO Tokyo

27. Tokyo, Postbus 100, 1000 TO Tokyo

28. Tokyo, Postbus 100, 1000 TO Tokyo

29. Tokyo, Postbus 100, 1000 TO Tokyo

30. Tokyo, Postbus 100, 1000 TO Tokyo

31. Tokyo, Postbus 100, 1000 TO Tokyo

32. Tokyo, Postbus 100, 1000 TO Tokyo

33. Tokyo, Postbus 100, 100

## DIVERSIONS

The Prince and Princess of Wales visited Scotland's second city yesterday to open its festival. Arthur Hellyer and Martin Hoyle report

# Glasgow — more at home with a garden

EVERYTHING HAS gone right for the Glasgow Garden Festival. The Government, Glasgow District Council, the Scottish Development Agency, John, owners of the site with Living Houses, the organizing company, and the public have all been in accord and enthusiastic about the project.

The 120-acre site, all derelict dockland, had none of the problems of accumulated town and industrial waste that plagued Liverpool in 1984 and Stoke in 1986. Small amounts of zinc and boron, left by a galvanizing plant, were quickly despatched to a proper repository to be buried safely, and so there was no need to import enormous quantities of soil to build up hills and cover debris.

Instead, the flatness of the site and the great basin, in which ships were laid to have barnacles removed, were accepted and exploited. The Clyde flows along the north of the site, and the city's panoramas surrounds it — far more visually exciting than is generally supposed. The outlines of the tower of Glasgow University and other fine buildings, fabricated in primary colours, have been used dramatically in High Street, the busy avenue of shops and stalls, which leads from the new footbridge across the Clyde to the ingenious Central Milling Space. This space serves as a rendezvous and dispersal area for visitors to all parts of the exhibition.

Not an inch of space has been wasted. Every few steps one must halt to take in something new, sometimes amusing, sometimes beautiful, often instructive. I have no doubt that those who come once will want to come again, since there is far more to see, even in the permanent exhibition, than could possibly be covered in a single day.

Add to that 27 special shows and thousands of special events, sometimes as many as 70 in a single day, and it is easy to see why the organizers are confident that those who buy season tickets are likely to visit at least ten times. Since more than 100,000 of those tickets had been sold before the show opened, that would seem to guarantee at least 1m through the turnstiles by September 26.

When day-ticket buyers are added to this, it is easy to see why everyone is confident that the break-even figure of 3m visitors

will be achieved easily, and the optimists are already looking for a further 1m on top of that.

The entrance charged for adults is £5 and for children £2.50, and this covers all the events and the special features. It will allow you to travel free on the trams to and from the east entrance to the top of High Street as many times a day as you wish.

The miniature railway is there



to take you free right round the perimeter of the main exhibition area, including the canting basin, the river entrance now spanned by a bridge. Without any extra charge, you can be lifted 240 feet above the exhibition in the comfortable slowly rotating cabin of the Clydesdale Bank Anniversary Tower to see it all spread below you like a map and to enjoy extensive views of Glasgow and the Clyde.

For real gardeners there are plants by the thousand, all clearly labelled with their botanical and common names and countries of origin. This expertise is carried a stage further in the butterfly house in which rare butterflies fly and their caterpillars crawl among tropical plants, which include a selection of those specially collected for the festival by an expedition to Papua New Guinea jointly mounted by the University of Glasgow and the Glasgow Botanic Garden.

Here, many of the new orchids, begonias, filmy ferns, and so on, which the collectors brought home, have still to be named precisely, but each is identified as closely as possible and bears the initials of the collector and the reference number it was given when it was collected. That brings one very close to the thrill of discovering previously unknown species.

Since there are far too many gardens to be described individually, I will take just one as an example, which is both typical and entirely Scottish. This has been made by the National Trust for Scotland to illustrate the range of gardens under its care from the 17th century formality of Pitmedden to the 19th century luxuriance of Brodick Castle and Inverewe and 20th century ingenuity of Crathes Castle.

It is entirely appropriate that this fine half-acre garden beside the river and almost beneath the slender Clydesdale Bank Anniversary Tower should have been constructed by Dobbies Nurseries, one of Scotland's oldest and

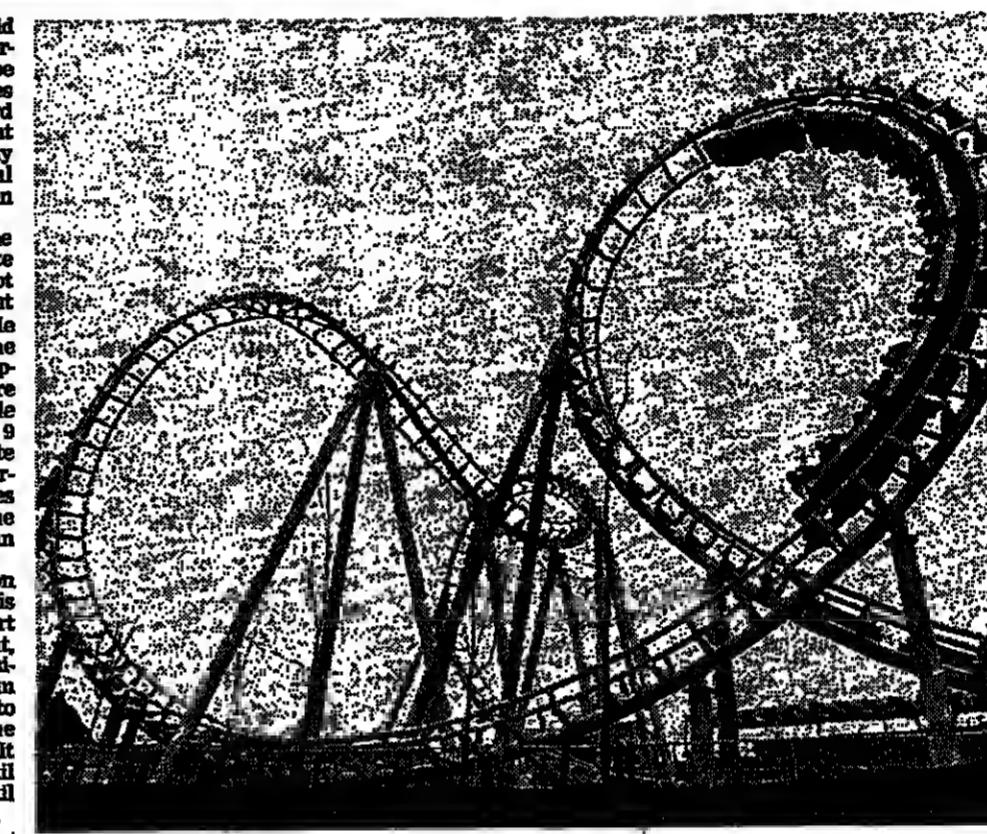
most respected firms. When I visited the garden last week, the flower beds were filled with parades, and there were rhododendrons in plenty in the woodland section as well as tree ferns and palms — an indication of just how mild the west coast can be.

Trees and grass are two items which distinguish this festival from its two predecessors. Previously these tended to look a little tired and unestablished. Here the grass everywhere is in perfect condition and the big well-attended trees are properly spaced and none is damaged or dying. I have the feeling that a team of Roalawn employees is waiting to rush in and relay any sections of lawn accidentally damaged. The trees are robust and securely staked.

Some 26 of the 27 flower shows will be two to four-day events staged in the indoor show pavilion. They will include shows organised by the Royal National Rose Society from July 30 to August 2, the Royal Horticultural Society from August 5 to 7, and two by the National Association of Flower Arrangers from August 9 to 11 and again from September 12 to 15.

In addition, there will be a Grand International Show from July 1 to 10, which will be staged

A.H.



A.H.

Arthur Hellyer takes time out from Glasgow's festival to look at other garden delights

## In Scotland's leafy dells alone

SCOTLAND IS full of fine gardens, many of them open to the public, so anyone visiting the Glasgow Garden Festival and with a little time to spare should try to see at least some of them. An hour or so would suffice to take in the Botanic Garden beside the Great Western Road right in the city; and Pollok House, a couple of miles south of the festival site in Pollok Park which also contains the magnificent Burrell Collection which won the Museum of the Year award in 1985.

The Botanic Garden is notable for its beautiful curvilinear greenhouse, known as the Kibble Palace, and also possibly the finest collections of begonias and filmy ferns in Britain. The garden at Pollok House is an ingenious combination of formal, lavishly-planted terraces and well-ordered woodland. Both are open throughout the year, the Botanic Garden from 7am to dusk and Pollok House from 10am to 5pm weekdays, 2pm to 5pm Sun-

days. Given a full day to spare, you could take the ferry from Ardrosson to the Isle of Arran and visit Brodick Castle in Brodick Bay at the foot of Goat Fell. Here are some of the most sheltered dells in Scotland in which the large-leaved rhododendrons of the eastern Himalayas thrive better than almost anywhere else in Britain.

The flowering season of most will have started by the time the Glasgow festival opens, but there are many other fine things in this favoured garden including great drifts of the moisture-loving Asiatic primulas, at their best in June/July. It is open daily from 9.30am to sunset.

About 40 miles to the south of Glasgow, near Maybole, is Culzean Castle, a splendidly-romantic

Adam building perched high above the sea with a deeply-sunk well-protected formal garden on the landward side, an extensive country park and an excellent restaurant. This is also open daily from April 1 to August 31 from 10am to 5pm.

More horticultural excitements await gardeners travelling further south to Dumfries and Galloway. Here are Castle Kennedy and Logan, near Stranraer; and Threave Garden, near Castle Douglas. The first two are open April to September from 10am to 5pm, and Threave all year from 5am to sunset.

Castle Kennedy is a romantic ruin on top of a little hill between two lochs, with a great avenue of monkey puzzle trees leading to Lochinch, the home of the Earl and Countess of Stair whose ancestors made it all. There are also thousands of rhododendrons, azaleas and other beautiful shrubs and trees. Logan, once a private garden but now owned by the Royal Botanic Garden, Edinburgh, still contains most of the astonishing collection of exotic plants built up by the Hanbury and other owners. Threave is run by the National Trust for Scotland as a training school for gardeners and is a fine example of how to retain order and delightfully sweeping lines of design, yet grow a great variety of plants.

Should you decide to travel east or south-east from Glasgow, you could visit the great woodland and forest garden at Dawyck, rich in rhododendrons, Himalayan blue poppies and daffodils which, in this cool climate, can be still flowering in May. The garden is now run by the Edinburgh Botanic Garden and is open April to September from 10am to 5pm.

The Royal Botanic Garden

itself is in Edinburgh, beside Inverleith Road on the north side of the city; and from its immense rock garden, and also the hillside on which the restaurant sits, there are magnificent views of the city, castle and Arthur's Seat. The new plant house is unique and the collection of plants is indeed rich. The Botanic Garden opens on weekdays at 10am and on Sundays at 2pm and always closes one hour before sunset.

Falkland Palace in Fife is a very ancient building with a mid-20th century garden designed specially by Percy Cane to bring out its romance and beauty. It is open between April 1 and September 30, weekdays from 10am and Sundays from

2pm, closing at 5pm. It opens in October at the same hours but on Saturdays and Sundays only.

Edzell Castle, in Tayside, needed no such modern addition since its exquisite formal garden, enclosed in richly-carved walls with niches for flowers and busts and holes for nesting birds and bees, is preserved marvelously. Built by Sir David Lindsay in 1704, it is the oldest complete garden surviving in Britain. It is open from April 1 to September 30 at 9.30am weekdays, 2pm Sunday, closing at 7pm.

There is another very old garden at Pitmedden, 14 miles north of Aberdeen, but it lacks the originality and charm of Edzell Castle. Nevertheless, it should be seen, for few of these 17th-century gardens remain. It is open daily from 9.30am to sunset.

Closer to Aberdeen, at Banchory, is Crathes Castle, perched on a hill in what seems a very exposed position; and yet, in its cleverly-compartmented gardens, a great many plants thrive that would be too tender for most southern gardens. It is open daily from 9.30am to sunset.

Near Crieff, in Tayside, Drummond Castle will astound newcomers with its enormous 13-acre *parterre*, patterned elaborately and revealed suddenly after you have passed through a dark keep and reached the head of a lavishly-ornamented stone staircase leading down into it.

Gardens of a totally different kind await visitors travelling north from Glasgow. They are, for the most part, much wilder than those of the east and south, full of rhododendrons and azaleas which love the peaty soil and moist climate, but also with great trees, many of them coniferous, and surprises like palms and coriander which seem to belong to

much sunnier places. Visitors could stop first at Beamore, also known as the Younger Botanic Garden, another annex of the Edinburgh Botanic Garden, and the one in which the finest rhododendrons grow. At the entrance is a superb avenue of Wellingtonias, and the garden continues some way up the mountainside.

Even craggier is the prospect awaiting visitors at Cræmer Lodge beside Loch Fyne, a little south of lovely Inverary. Much of this garden is in a natural gorse, from the steep sides of which large bushes grow. There are all manner of treasures for plant-lovers here and also at Achamore House on the little island of Gigha, where the late Sir James Horlick established another splendid collection of plants. To reach it you must take the ferry from Tayinloan, but it is only a three-mile journey and there is a small but excellent hotel close to the jetty to feed and, if necessary, house you should you decide to stay the night.

The culmination of this northern journey should be Inverewe at Poolewe on the Atlantic coast north of Skye. This is one of the most talked-about gardens in Britain, made by the dedicated Osgood Mackenzie. He started with a site so exposed and barren that it took him many years to cover it with soil and provide it with a shelter belt of trees.

From them on there was no stopping it for, despite the gales, the climate is mild thanks to the Gulf Stream. This garden is a treasure house for gardeners and they can come away with seeds and plants of some of the lovely things that grow there. It is open every day of the year from 9.30am until sunset.

## FROM GREEN FINGERS TO WHITE KNUCKLES.

Take a trip out of this world at the Glasgow Garden Festival 1988.

Go round in circles as you whizz round our 120 foot Coca-Cola Roller at over 50 miles per hour. You'll soon appreciate that the Festival is not just for pansies.

Go up in the world as you ride our 240 foot Clydesdale Bank Anniversary Tower — Scotland's biggest "spinning top".

Go back in time in one of our five vintage trams.

There's a Magic Forest too with real live pixies and even more down to earth you can experience life in a badger's sett.

And our fashion shows are bound to interest all Violets, Heathers and Irises.

Indeed there's something for everyone. Even if you don't have green fingers.



OPEN EVERY DAY  
From Thursday,  
28th April  
until Monday,  
26th September.  
10 a.m. till  
1 hour before sunset

ADULT DAY TICKET  
£5.00  
JUNIOR DAY TICKET  
£2.50  
(Under 5 free of charge)  
FAMILY DAY TICKET  
£13.50

A DAY OUT OF THIS WORLD.



Continued from page X

commercial development, parkland (the Festival's landscape and scenery section will be retained) and housing. The latter is seen as particularly important, part of the last decade's regeneration of the inner city and the residential movement back into the centre.

The Festival has been fiercely marketed. Pipe bands were advertising Glasgow even before the State Festival opened in 1986. Saturation publicity was arranged for the one place where all 4,000 British travel agencies could be found (it happened to be Bristol). Bargain advance ticket deals went like hot cakes; a 97-year-old lady investing in an optimistic season ticket long before the Festival opened. Package deals with public transport, include arrangements with BT via Edinburgh, ironically, which at half the size of Glasgow has nearly four times the hotel accommodation.

All of which is vital of a government input of £10m. Glasgow must repay £20m. An attendance target of 5m is aimed for in a country whose population is just over 5m. The intense marketing abroad in the run-up to the Festival overseas ticket sales accounted for 20 per cent of the advance.

Of the 120 acres 90 per cent is covered by sponsorship. The elegantly tapering tower that marks the South Bank's skyline in 1988 will evermore remind the passer-by of Clydesdale Bank. Other forms of sponsorship have been more subtle, often in kind rather than money. IBM contributed a sophisticated information system worth £300,000. Through its subsidiary, Scottish Agricultural Industries, ICI gave £30,000-worth of seed.

Glasgow sees its trump card as family appeal, with a special pull for the late teens and early twenties – an age group that stayed away from both Liverpool and Stoke with enthusiasm. The blend of funfair, trade exhibition and civic improvement is infinitely more appropriate than fulsome talk of usurping the international arts "festival" from Edinburgh. Audrey Christie's momentous remark to Rudolf Bing – "What a wonderful place for a festival" – could never be echoed here even by Glasgow's most devoted partisans. Any traveller who has been stranded on a wet Sunday in both cities knows that there's no comparison. Glasgow's windowless, litter-strewn expanses of closed shops, closed restaurants and closed faces sum up the half civilised, provincial Sabbath when civilisation as we know it dies a little. Britain's Salzburg, it can never be a northern Disneyland just possibly. M.H.



Edward Morris, a painter from Paisley, preparing for the garden festival

**FORMAL GARDENS** on undulating, steep slopes with grass terraces, herbaceous borders, shrubs etc. "Amenities" etc.

Scotland has its own, Yellow Book of Gardens Open to the Public, which costs £1.40 by post from The General Organiser, 33 Castle Terrace, Edinburgh. It lists over 250 Scottish gardens which are open between April and October, 1988, to the public, and about 2,000,000 visitors. The Garden Scheme is a charity which you can contribute to and its profits go to funds for nursing gardens and retired gardeners. Its list opens new horizons at mischievous times of the year. It also suggests some contrasts with the south.

Southerners will notice a different tone from their own Yellow Book in England. It is not simply that Scottish devotees are "spelt doo-dooes", or that you sometimes arrive at the garden gate by ferry. The teas are also different – sometimes, tea turn into juice and biscuits; there is not a hint of cream; let alone clotted cream, but there is some emphasis on "teas under cover" and much more emphasis on home-baking. Dogs, it seems, call for fewer precautions than the

**Robyn Lane Fox opens up new horizons in the north**

## On the yellow book road

disabled, who are warned by wheelchair symbols with words like "partly", "with difficulty", "with assistance" and "slopes". Scottish gardens rely on some truly heroic pushers.

My limited experience of them has been mixed. At one extreme, Scottish gardening is still bogged down in Victorian bedding, with too many concomits, tassels and marigolds, even in the muted light of a Scottish summer day. As in England, some of the "gardens open" are not really gardens at all. In England, the intruders are parks with daffodils. In Scotland, they stretch away by the hectare below turrets, keeps and baronial terraces, seducing you with names like Floors, Cawdor and Glamis. If it reminds you of Macheth, give it a miss. In August you can pay to see miles of rose bay willow herb in Scotland, a weed which southerners banish to their railway-lines. In Scotland, there is not such a dense underpinning of small, civilised gardens. Heather, inevitably, is a problem.

At the other extreme, the best Scottish gardens challenge anything else on offer. Unlike most gardens in the south, many of them have the ideal conditions for plants from the Far East. At Cluny House, Aberfeldy, rarities from the Himalayas actually look as if they are enjoying themselves in a great garden of good plants. In Scotland, master gardeners have the knack of gardening on islands in woodlands, or in settings with natural views. The Highland garden of Inverewe is world famous, but Achamore House on the Isle of Gigha is not far behind it, containing a wonderful array of camellias and rhododendrons which have been thoughtfully replanted since 1972. This type of gardening is Scotland's strength. I know of only one herbaceous garden which rivals the best of Sissinghurst: Crathes Castle near Banchory, whose magical borders have not lost their sense of colour and style in public ownership since 1952.

To judge from the two Yellow Books, there has been slightly



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The Design and Implementation Group are delighted to have been associated with the Glasgow Garden Festival 1988.

**GILLESPIES**  
Principal Consultants and Design Co-ordinators

**DODD & SMITH**  
Cost Consultants

**TA CIVILS**  
Engineering Consultants

**JMP CONSULTANTS**  
Transportation Consultants

**DONALD SMITH, SEYMOUR & KEELEY**  
Services Consultants

As designers of the Festival Bridge over the River Clyde we are very pleased to be associated with Glasgow's Garden Festival 1988.

**CROUCH & HOGG**  
Consulting Civil & Structural Engineers  
Glasgow, Aberdeen, Inverness  
Jedburgh, Middlesbrough, Oban



## DIVERSIONS

Ralph Glasser questions Glasgow's transformation and mourns a loss of spirit

## A Gorbals boy goes back home

GLASGOW'S HOLD on my spirit is strong, however far from it I go. When I was writing my new book, *Gorbals Boy at Oxford*, I would go back to the Gorbals again and again, and stand on the spot where the old Gorbals Cross monument and drinking fountain used to be, to tune in to my beginnings.

One of the men in cap and muffler I used to see at Gorbals Cross as a child could see Glasgow as it is now, he would sense a new dynamism breaking through – but alas so long in coming – and the first cautious flickers of new optimism, and wonder whether Glasgow might at last be pulling itself up by its own bootstraps.

He would have reservations. For a start, the erasure of the old vibrant Gorbals and its replacement by a desert of anonymity is far from uplifting – the old Gorbals, for all its evils and shortcomings, was alive. When the City Fathers destroyed it – so determinedly that they obliterated its street plan – the small businesses and workshops, a community's vital economic basis, did not spring up again.

My first school, Anbostord Place primary, had by a miracle survived, presumably because it is a listed building, and in a corner to the north west a few tenements have been saved and renovated – an affirmation, one would like to think, that despite the cynicism of the post-war epoch, a demand for a sense of place, of spiritual continuity, refuses to be stifled.

For many generations of City Fathers the Gorbals had presented a daunting, unassailible prospect – like the notorious bassi of Naples with which it was often compared – unique, charged with disturbing history and passion, full of intractable problems, beyond cure. Never acclaimed for sensitivity, one must assume that they saw only two possible policies – you either did nothing, left the place as it was, or destroyed it. And so they huddled away, together with once-handsome Italianate facades, generations of social

in that? Mainly the chance of a job – any job, and hang the culture. And why not? That man thought of himself, even when unemployed, as joined with a great city of people who made things, tools and engines, ships, instruments of power.

That was part of the image.

Tenaciously held "Britain the workshop of the world" and "Glasgow the second city", a sun-set vision, for it had been untrue for most of the previous two generations; yet he continued to

cherish it, even in the sadness of deprivation. That was culture in the social sense.

To be fair, they were only following the fashionable mechanistic view that sees people as quite separate from such intangibles as sense of place and emotional associations – simply as units of social engineering.

What of Glasgow as European City of Culture? What would the man at the old Gorbals Cross see

that, though tourism may bring short-term gains, it carries a poison with it; firstly because the market is becoming increasingly saturated, and secondly because the indigenous local culture, in the social sense of the word, becomes debased and gives way to frustration and destructive behaviour. Once the commitment to tourism is made, not only in attitudes but in plant and infrastructure, attempts to reverse or reduce it can be traumatic.

Glasgow, centre of a once great industrial region brought to its knees by a massive economic and technological shift, is certainly trying hard to pick itself up, harder than would have been necessary, also, if governments had been intelligent and sensitive long ago. When someone is fighting for his life, he has no time for the long-term view. Even so, one must hope that a friendly reminder will do no harm. The long-term view, after all, is simply intelligent self-interest. For

Scotland over-emphasis on tourism – an economic and social policy seemingly condoned by successive governments – has already created an unhealthy imbalance.

That being said, if you want

your city to present a sympathetic face to visitors, to say nothing of giving emotional uplift to its people, does it help to cut a motorway through the heart of it? Driving from Edinburgh to the Erskine Bridge, I

had to be reminded that we were

going through the heart of Glasgow, or rather where a segment of it used to be. It had been

destroyed to create a trunk route,

with the same insensitivity as

the erasure of the Gorbals. If you

show citizens that the heart of

their city is simply a route to

somewhere else, how can they

feel a sense of place in it and,

more to the point, be inspired to

enhance it? Walking among the

tumbled remains of the old Cum-

berland Street railway arches a

few years ago, I saw poignant rel-

ics of the little workshops that

used to be a feature of the old

Glasgow.

It is a mistake to think that modern technology suits only large enterprises; there is a golden future for those who can adapt high-tech to suit the small enterprise that can best serve local needs – a movement that could re-create that close interaction between where people live and where work is done that brings life to a neighbourhood. This is a challenge to the city fathers, and to government and the development agencies; if they will bend their efforts to regenerating local economic life in such a fashion, Glasgow, to say nothing of other places, will be a happier

Ralph Glasser is the author of *Growing Up in the Gorbals*. His new book *Gorbals Boy at Oxford* (c) will be published by Chatto & Windus on May 5 at £11.95, pp.184.

Roy Harris describes the magic that he found in the Orkneys

## The centre of northern Europe

ORKNEY IS a world of sky and sea and scattered islands, the result of an ancient landscape largely flooded by a rising sea. Overwhelmingly it is a land of birds.

In summer, many of the sea cliffs are massed with breeding guillemots and razorbills, while others hold breeding colonies of kittiwakes and shags.

Puffins are everywhere.

Some of the larger seabirds are quite

fierce. Greater black-backed gulls

are surprisingly large, like a

small goose; they are powerful

and predatory. Great skuas, or

bonxies, are impressive birds but

they are fierce and aggressive

and will dive-bomb human

intruders, and attack any smaller

animal weak enough to make a

meal.

Orkney is particularly rich in

birds at least partly because it

has so few mammals: no foxes,

wildcats, pine martens, badgers,

stoats or weasels. In fact, no

predatory mammals except

coastal otters and domestic cats

and dogs. Perhaps that explains

why, in a land of birds, birds

are so abundant.

By mid-June the sun does

not rise until 9.15 am and it has

set again by 3.15pm. On clear

days red-orange light tints any

clouds in the southern sky and

then the red disc of the sun

climbs stiffly out of the sea.

Even by midday, it has managed

to struggle little more than a

quarter of the way up the sky,

before it starts to fall towards the

sea again.

It disappears from view but

then casts up the most amazing

reds and oranges to wholly tint

the evening sky. At its brightest,

this winter sun is so low in

the sky that its rays come shafting

across the earth as a sidelight.

The sun is very welcome, espe-

cially shining out of a clear sky.

Even in the middle of winter it

has a hint of warmth to give the

faintest promise of spring. But it

is a strange, oblique light, espe-

cially to an eye grown accustomed to the sun that shines 600

miles south. It seems to create a

kind of halo around the horizon.

Things appear brightly lit, but

when you look to see details on

the ground they suddenly grow

confused among a complex forest

## Country Property

**SAVILLS**

**EAST LOTHIAN**  
Gifford 3 miles, Edinburgh 23 miles.  
First class arable and stock farm in a well known farming area only 30 minutes from the city. With an attractive house and excellent farm equipment.  
Farmhouse: 5 reception rooms, office, kitchen, 5 bedrooms and 2 bathrooms, and cellar, pantries.  
4 farm cottages: Suitable for holiday lettings.  
Modern and traditional farm buildings including grain drying for 350 tonnes on site, cattle housing for 260 head and extensive farm machinery facilities.  
55 acres arable, 268 acres grassland, 52 acres woods.  
24 acres of land in 325 acres. Fallow shooting and duck shooting.  
Offers over £490 per acre.  
For sale as a whole or in 3 lots with vacant possession.  
Savills, Edinburgh. Tel: 031-226 6561. Contact: Charles Dugdale.



On the instructions of Lord and Lady Roderic Pratt's settlement Trustees.

**KENT - Near Tunbridge Wells**  
Tunbridge Wells 3½ miles, London Bridge/Charing Cross 46 minutes.  
Fine Queen Anne style country house with distant views over Eridge Park and beyond.

Four-storey hall, 4 reception rooms, 6 bedrooms, 4 bathrooms, pantries, staff, 3 bedrooms, garage, gaggings, stable and outbuildings, half tennis court, garden, paddocks.

About 24 acres.  
Joint Agents: R. H. & R. W. Churton, East Greatstead. Tel: 0342 410122.  
Savills, London. Tel: 01-499 8644. Contact: Richard Page.

**01-499 8644** 20 Grosvenor Hill, London W1X OHQ



**PROWNTING HOMES**  
PROWNTING WESTERN LIMITED

AT CHANCEL PARK  
CHARLTON KINGS, CHELTENHAM

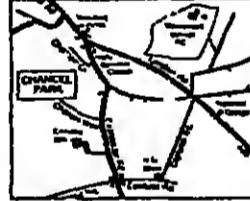


**"THE CLAREMONT"**

A truly unique development of magnificent architect designed 4 and 5 bedroomed detached residences in a prime position at Charlton Kings in the south-western suburbs of Cheltenham.

An exciting range of 6 house types offering very spacious family accommodation and luxuriously equipped throughout. All dwellings have two full bathrooms, GCH, double glazing, recreation room or study and large double glazing, recreation room or study and large double garage.

**PRICES FROM £225,000 to £250,000  
ONLY THREE CURRENTLY AVAILABLE**



Sales Office Open Daily - Contact Angie Smith at the Chancel Park Sales Office. Tel: Cheltenham (0242) 574236 Saturday 11am to 5.30pm. Sunday 2pm to 5.30pm. Monday - Friday 10am to 5.30pm

**Lane Fox**

The Property Hallmark



**HAMPSHIRE - MR LIPHOOK**  
Liphook 2½ miles, Haslemere 5 miles.  
A BEAUTIFUL PERIOD COUNTRY HOUSE  
in an exceptional waterside setting.  
Reception Hall, 2 large Reception Rooms, Loggia, 5 Bedrooms, Dressing Room, 3 Bathrooms. Gas central heating.  
Patio, terrace, sunroom, heated swimming pool, Garage, workshop, Garden, Grounds. Stream frontage. Tennis Court. Swimming Pool.  
2 Paddocks and Woodland, in all about 11.75 acres.  
Winchester Office: 096 69668

**SUSSEX/HAMPSHIRE BORDER - ABOUT 97 ACRES**  
Petersfield 5 miles, Chichester 12 miles, London 60 miles  
AN IMPRESSIVE LISTED PERIOD COUNTRY HOUSE  
situated in a most exceptional rural position  
in the South Downs.  
4 Reception Rooms, Nursery, Cellars, 6 main Bedrooms, 4 Bathrooms, Dressing Room, 5 secondary Bedrooms, Kitchen & Bathrooms, Fridge.  
Swimming Pool, Garage, Workshop, Garden, Grounds. Stream frontage. Tennis Court. Swimming Pool.  
2 Paddocks and Woodland, in all about 11.75 acres.  
(Cottage and further land available)  
London Office: 01-499 4765

HEAD OFFICE: 15 HALMOON STREET, LONDON W1 4BB 4765

**01-253 3991**

Cornwall Gardens SW7. An excellent selection of 2 bed flats, realistically priced for quick sale. Newly refurbished and for sale with fully fitted kitchens, bathrooms and showers. Building and garden areas with attractive views over Gardens. Plus delightful terraces and balconies with 3-4 bedrooms and terrace. Prices from £240,000 - £470,000. 125 years. Viewing is a must.

More Living at its Best SW7. Much larger than usual, pretty and secluded house in this established area. Carefully refurbished throughout and cleverly planned maximising use of space allowed. Built on 3 floors offering the 24' deep rooms, a first floor study, 2 double bedrooms, 2 single bedrooms, 2 bathrooms, a large kitchen, a large dining room, a large living room with a fireplace, a large conservatory and a large garden.

Orchard Court W14. Renowned and deservedly popular mansion block. This flat has been completely rewarped and newly decorated throughout to a very high standard. Situated close to the delights of Holland Park and the excellent shopping facilities of Knightsbridge. High specification and early completion. 2nd floor (lift), south facing. Leasehold £195,000.

**Portmans**  
Property Consultancy & Estate Agents

Buying in Scotland: John Brennan looks at what's available, the demand, and what you could pay

## PROPERTY

**Have home, will travel**

ASKED HOW he could sell homes priced from £100,000 to £250,000 in a region of Scotland with an unemployment rate of more than one in five, the Scottish divisional chief of a national housebuilder explained smugly that he did not sell to people without jobs.

Alan Downie, managing director of Cals Homes in Scotland, has an equally confident view of the middle to upper price-range property, at least in the central housing belt between Edinburgh and Glasgow. Cals homes average £70,000 to £80,000, from single-bedroom flats in Paisley at £28,500 to five-bedroom detached homes in Edinburgh's Milmill Drive for £245,000, as well as executive properties in the expanding commuter belt.

"People here are increasingly willing to travel," he says. "Two years ago, when we were building four and five-bedroom homes in North Berwick selling

at about £100,000, there was some doubt about whether people would be willing to travel the 30 miles or so into Edinburgh. That is accepted now although, as Downie says, Scottish commuters draw the line at homes "on the wrong side of 45 minutes' travelling time."

Scottish buyers also are changing their attitudes to house styles, as Downie explains. "Over the past five years, the English influence has been evident in greater emphasis on the 'kerb-side appeal' of houses. There are more brick facades and more of a cottage look."

Managing director Steve Rosier has even reintroduced the clay chimney pot. And he adds: "Our new house styles also incorporate much higher-pitch roofs. From a pitch of about 25 degrees the new roof styles are about 40 degrees, giving a much higher, steeper looking roof and a traditional appearance."

## Much more for the money

IF YOUR IDEA of Scottish property is not limited to good-value castles and sporting estates with room to park the helicopter, you will be pleased to know that home-buyers in Scotland can expect 23.7 per cent more bricks and mortar for their money than the national average, and roughly twice the property they would be able to afford in Greater London.

Move down the property scale, however, and individual buyers in Scotland find a residential version of economies of scale. Knight Frank & Rutley comments on the disparity in prices of homes in smaller country estates in central Scotland in the 1988 edition of *Buying a Country Home*, its joint publication with IPC Magazines. According to this:

"There is a number of small farmhouses and large holiday mansions, but what in English terms would be an old rectory or a good-sized farmhouse is in short supply. The equivalent is the *mains* or the *factor's* house, but they command a premium, they sometimes cost as much as a castle. Castles, by contrast, seem remarkably good value."

KFR's research department highlights the extent to which country property buyers have moved to Scotland, as shown by the cost comparisons showing a few hundred acres of heather and a castle plot at the same level as a central London flat. The agency report "doubling in country house prices generally in the south-west, the Borders and the central belt of Scotland" in the past year alone. The days of the bargain estates clearly are numbered.

The Borders are 37th in the price league, or just a mile cheaper than the average for the West Midlands. Tayside does hold 30th place in the society's 65 county and region league tables. Strathclyde ranks as the next most expensive area and as the 34th most expensive in Britain, with average home prices marginally more expensive than those of north Yorkshire.

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The Halifax Building Society's house price survey for the first quarter of 1988 shows that the average buyer in Scotland paid £26,483 for his home against a UK average for all properties of £21,324. This differential is increasing, with property price inflation in Scotland running at under 10 per cent against an annual rate of 18.2 per cent for Britain as a whole.

Scottish regions all rank among the lowest-priced areas

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## Tenants save by buying

PUBLIC SECTOR housing still accounts for 49 per cent of Scotland's 1.5m homes, nearly twice the national average of 26 per cent in 1980. However, the proportion of public sector housing has been falling steadily since the legislation enabling tenants to buy at a discount came into operation in October 1986.

## Scottish Property

**STRUTT & PARKER**

13 HILL STREET BERKELEY SQUARE  
LONDON W1X 8DL

01-629 7282



**INVERNESS-SHIRE**

Inverness 28 miles, Fort William 38 miles, Kyle of Lochalsh 54 miles.

**GLENMORISTON ESTATE**  
An exceptional opportunity to purchase all or part of a unique Highland property which encompasses a most interesting and valuable cross-section of sporting, agricultural, commercial and domestic property.

Lovat's Deer Forest, 14 stags, 22 hinds, 20 Hill Lochs, Grouse shooting, River Moriston, 108 salmon, 9 miles of Loch Ness loches with salmon fishing rights, 2 farms, productive woodlands, bare land for afforestation with F.G.S. approval, Glenmoriston Arms Hotel, The Cluanie Inn, 4 craft shops, Village shop with post office and 5 letting flats, Holiday chalet houses with owners' bungalow, Salmon hatchery and smolt rearing farm, 2 principal residences with salmon fishing, 13 houses and cottages mostly with salmon fishing. Building plots with superb locations.

In all about 10,000 acres. For sale as a whole or in lots. Joint selling agents: Iain Chalmers & Co. 100 High St, Moray IV36 0NC. Tel: 0309 73151. Strutt & Parker Edinburgh office: 26 Walker Street. Tel: 031-226 2500 and London office: Tel: 01-629 7282.

Ref: 2BB3671.

For sale by private treaty.

Edinburgh office: 26 Walker Street. Tel: 031-226 2500 and London office: Tel: 01-629 7282.

Ref: 2BB3671.

Scottish Mansion overlooking Loch in Argyll Hills, 2½ hours from

Heather. Comprising 6 bedrooms, 2 bathrooms, study, large reception hall, 3 sitting rooms, cloakroom, with WC and vanity unit. Spiral staircase to original chapel converted to snooker/games room. Large style fully fitted kitchen with centre island. Beamed dining room. Full gas central heating. Floored cellar. All in approximately 3 acres of

mature gardens.

OFFERS OVER £150,000.

Telephone: 03013262.

Ref: 2BB3671.

Scottish Mansion overlooking Loch in Argyll Hills, 2½ hours from

Heather. Comprising 6 bedrooms, 2 bathrooms, study, large reception

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gas central heating. Floored cellar. All in approximately 3 acres of

mature gardens.

OFFERS OVER £150,000.

Telephone: 03013262.

Ref: 2BB3671.

## Elegant townhouses near the heart of London

**The Gables**  
BROOK GREEN W14  
Prices from £295,000

Exclusive development of eight large terraced houses.

Superb location two miles from central London (and 15 minutes by tube).

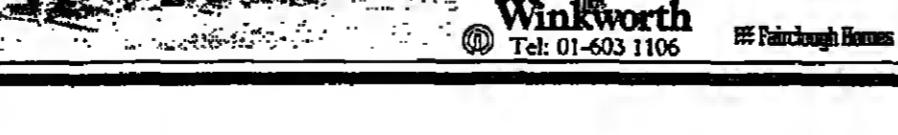
Luxurious gardens and private parking.

Three receptions, four bedrooms. NHBC Guarantee.

Winkworth

Tel: 01-603 1106

Fairbairn Homes



## Country Property

### Humberst

#### The Glamwye Fishings, River Wye



An opportunity to purchase a 21 year lease for a specified week for up to four weeks on the most beautiful stretch of double bank Salmon Fishing within three hours drive of London.

1 1/2 miles of double bank fishing including the famous Hole, at which fish the fly well along with other methods.

Accommodation is included at no extra charge in the charming riverside lodge. Normal average catch is approximately 65 salmon per annum. The Leasohold Scheme offers price with a 10% discount to September at prices from £1,250 to £4,000 per fish week. VAT is not chargeable.

Details: W. Wood & T. Tyler, Buxton Wells, Tel: (0622) 552548 or

Humberst, London Office.

Surrey: Skelmersdale 1 mile, Gostone 2 miles, London 21 miles, Gatwick 15 minutes, M25/M35 3 miles.



A beautiful period house ideal for the international commuter. Large entrance hall, dining room, drawing room, sitting room, music room, study, 8 bedrooms, dressing room, 4 bathrooms, modern kitchen. Staff cottage. Excellent outbuildings, garage for 4 cars, 3 loose boxes. Walled kitchen garden, beautiful formal gardens, paddocks.

In all about 25 acres.

Details: London Office

successors

London Office: Humberst, Chartered Surveyors, 25 Grosvenor Street, London W1X 9FB, Tel: 01-629 6700

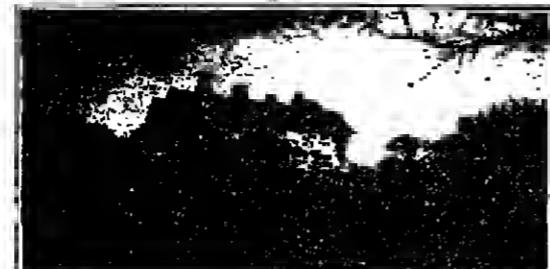
Humberst, Chartered Surveyors

25 Grosvenor Street, London W1X 9FB

Telex: 27444

### CLUTTONS

#### Hampshire/Berkshire Border Burghclere



An impressive Edwardian Country House in a secluded setting. 3 Reception Rooms, Domestic Offices, 10 Bedrooms, 2 Bathrooms and Shower Room, Attic Flat, Central Heating, Coach House with Staff Flat, Lodge Cottage, Terraced Gardens, Woodland and Paddock.

In all about 6 Acres

For Sale by Private Treaty

Mayfair Office, Tel: 01 499 4155

127 Mount Street, Mayfair, London W1Y 5HA, Telephone 01 499 4155  
Head Office: 4 Berkeley Square, London W1X 4DR  
Also Cheltenham, Kenilworth, Arundel, Bury, Canterbury, Carlisle, Edinburgh, Harrogate, Hereford, Hereford, Lichfield, Northallerton, Oxford, Shrewsbury, Shrewsbury, Worcester, York.

### THE WALLED GARDEN



UPPER SLAUGHTER, GLOUCESTERSHIRE  
In an idyllic rural location in the North Cotswolds, a peaceful and secluded south facing walled garden of approximately 1 1/2 acres, approached by a long driveway. Gardeners cottage and Edwardian greenhouse with planning permission for conversion of existing buildings to provide residential accommodation.

For Sale by Tender on 31st May 1988

**HAMPTONS**

Hamptons, High Street, Burford, Oxfordshire (099 362) 3636

PRESTIGIOUS HOMES  
OF Refined Style  
IN SELECTED LOCATIONS  
THROUGHOUT THE  
UNITED KINGDOM AND  
NEW ENGLAND, USA.



FOR DETAILS PLEASE TELEPHONE  
SOUTHERN ENGLAND: 01-885 0250; NORTH AND WEST OF ENGLAND: 01225 52029; EASTERN ENGLAND: 0277 355406; SCOTLAND: 041-332 6227;  
NORTH AMERICA: (609) 426 3000; JAPAN: (03) 363 3000.

**Alfred McAlpine  
Homes**

### GA Property Services

SHURTON, NEAR BRIDGEWATER, SOMERSET



A particularly handsome and generously proportioned south facing period residence, comprising: 2 Receptions, Large Kitchen/Breakfast Room, Snooker Room, Cellars, 8 Bedrooms (Master with en suite facilities), 2 further bathrooms. Double garage. Level gardens and walled vegetable garden.

Offers invited for the Freehold in excess of £175,000.

GA Property Services, Fox & Sons Country House Division, 22 Cathedral Yard, Exeter. Tel: (0392) 51571.



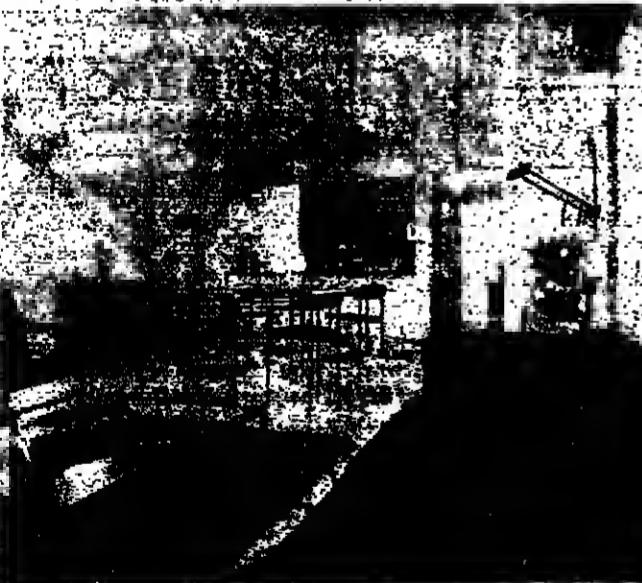
**ST. IVE/PENZANCE**  
Holiday Investment Homes  
£29,950  
3 bedroom Scandinavian villas. Self financing. Full management service. C.G.T. relief. Leaseback guarantee. Full furniture package available. Brochure Cornish Minors, Gulval, Penzance. 0736 66671.

## London Property

# NEW CRANE WHARF

The most distinguished address in London's new 'West End'. On the edge of the Thames and the City.

THE SALES CENTRE AND SHOW APARTMENTS ARE NOW OPEN. IT'S YOUR OPPORTUNITY TO OWN AN EXCLUSIVE APARTMENT RIGHT NEXT TO THE RIVER AND THE CITY.



All the fashion, excitement and style of the West End is moving east to Wapping - it's coming alive with new shops, restaurants, sports and leisure centres. And at its very heart is New Crane Wharf. To offer a way of life which provides exclusivity, cachet and a unique lifestyle.



#### 143 Apartments and Penthouse Suites

Within the three Victorian warehouses surrounding New Crane Wharf's cobbled courtyard are some of the most exclusive apartments in London.

Superbly designed by architects Conran Roche, they combine traditional materials with craftsmanship to create new standards of quality finish and style. Polished beechwood floors and kitchen work surfaces crafted from natural beech or solid granite.

#### An Exclusive Riverside Restaurant

New Crane Wharf will include one of London's finest restaurants with fascinating views over the River Thames.

And there are shops, a health club and secure underground parking.

From the fine food of the restaurant to fitness in the health club, New Crane Wharf has all the ingredients you need to enjoy the riverside way of life.

And yet within minutes you can be in the very heart of the City or the West End. A perfect location.

#### A Safe and Secure Life Style

Every step has been taken to provide complete security and safety. With card key access to all apartments and the garage area, smoke detectors throughout and video entryphones to see who's calling. A zoned burglar alarm system connects each apartment to a central control panel manned 24 hours a day.

#### Visit the Sales Centre now

Call the New Crane Wharf Sales Centre on 01-488 1303 or better still visit the Sales Centre in Wapping High Street and see Conran Roche design in an exclusive furnished apartment. Anytime between 11.00 a.m. and 7.00 p.m. daily.

Studio, one, two and three bedroom apartments from £95,000 to £750,000.

SELLING AGENTS

**SAVILLS** • 01-488 1303

## The Riverside Way of Life

A joint development by Conran Roche Developments Limited and Capital & Counties PLC.

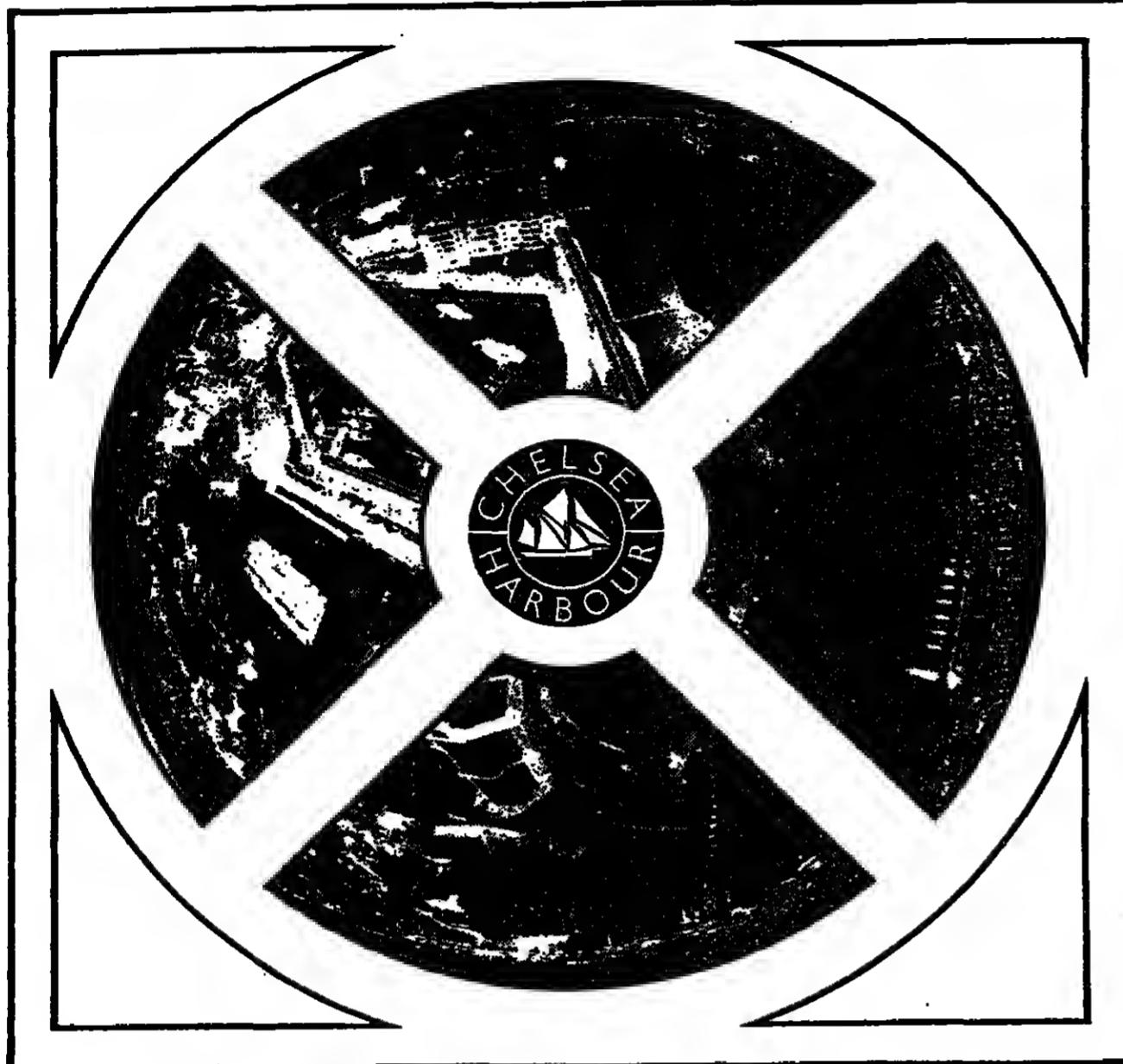
The developers reserve the right to alter the specifications without notice.

## London Property

CHELSEA LIFE  
from a different point of view

Chelsea Harbour, London SW10 0QL

Open 10am - 6pm 7 days a week. Ring 01-351 2300 for a brochure.



Chelsea has always exercised an irresistible allure, but even the most illustrious of its earlier inhabitants might have been surprised by the scale and luxury of Chelsea Harbour.

They would have been astonished that Chelsea Harbour occupies 18 landscaped acres of townhouses and flats, shops and offices, restaurants and studios, fully integrated around a 75-berth yacht harbour.

But they would have recognised the sense of community, the seclusion and security, the majesty of the river. All in all, Chelsea Harbour might have given them a different view of life in London.

Couldn't it do the same for you?

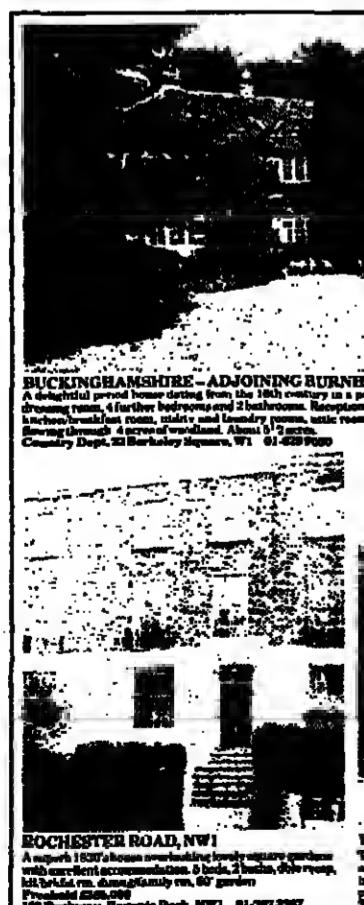
P&O  AND  Globe

A joint development by P&O and Globe.

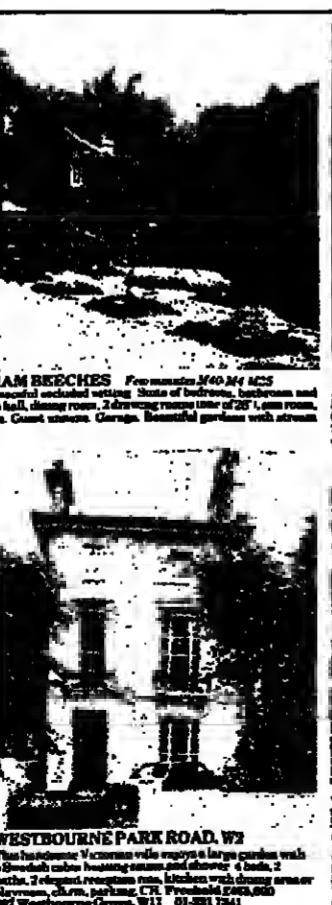
LONDON

JOHN D WOOD &amp; CO.

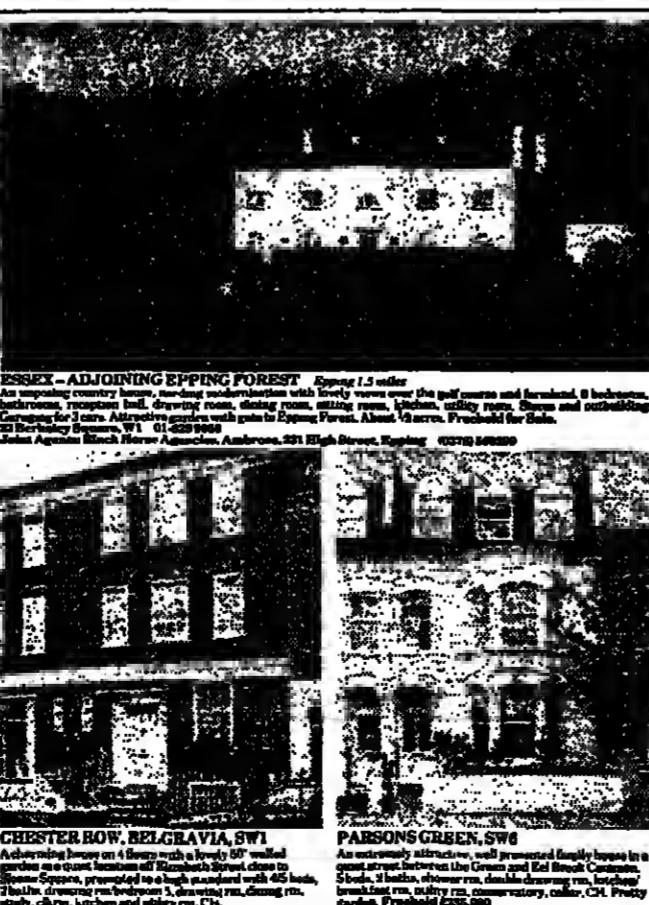
COUNTRY



BUCKINGHAMSHIRE - ADJOINING BURNHAM BRECKES. Ref no. 140/44444CS. A delightful period house dating from 1818 extending to a 1000 sq ft. Recently modernised. State of bedrooms, bathroom and shower room. Kitchen, dining room, breakfast room, sitting room, study, conservatory, sunroom, utility room, cloak room, garage. Price £125,000. Sales Office: 231 Berkeley Square, W1. Tel: 01-582 2200



WESTBOURNE PARK ROAD, W2. Ref no. 140/44445CS. A superb 1920's house in a quiet residential area. 3 beds, 2 reception rooms, 2 bathrooms, 2 reception rooms, kitchen with dining area, 2 reception rooms, conservatory, garage. Price £125,000. Sales Office: 231 Berkeley Square, W1. Tel: 01-582 2200



CHESTER ROW, BELGRAVIA, SW1. Ref no. 140/44446CS. A superb 1920's house in a quiet residential area. 3 beds, 2 reception rooms, conservatory, garage. Price £125,000. Sales Office: 231 Berkeley Square, W1. Tel: 01-582 2200



PARSONS GREEN, SW6. Ref no. 140/44447CS. A superb 1920's house in a quiet residential area. 3 beds, 2 reception rooms, conservatory, garage. Price £125,000. Sales Office: 231 Berkeley Square, W1. Tel: 01-582 2200

London and Country Estate Agents  
23 Berkeley Square, London W1 01-629 9050

## OLD COURT HOUSE

KENSINGTON HIGH STREET • LONDON W8



A selection of one to four bedroomed flats, recently refurbished to a very high standard, are now available in this elegant Edwardian style building.

New, long 25 year leases are being granted at prices from £140,000 with low ground rents and service charges.

Show flat open daily.

Please contact sole agents to arrange viewing of these luxury apartments in a superb location fronting Kensington High Street.

Philip Andrews

01-486 5991

2 Duke Street, London W1M 5AA



ASH, BEECH, CEDAR & ELM COURTS, LONDON, W1.

## 4 substantial adjoining Freehold Blocks

Containing a total of 137 Flats, together with private car parking in a convenient area of Central London

Currently operating as high class serviced accommodation and capable of producing a substantial income

This investment opportunity offers scope for further improvement, sales of individual flats on long leases or for alternative use.

Substantial offers invited for the Freeholds

Full particulars from Vendor's Sole Agents.



100 Knightsbridge, London SW1X 7LB  
01-584 6106

ST JOHNS WOOD NW8



A superb ambassadorial detached residence approached by its own private road and set in its own grounds. The property has been immaculately maintained throughout and is arranged on two floors only. There is also the benefit of the self contained studio flat with its own entrance and lodger facilities.

\* Grand Ent Hall • Drawing Rm • Morning Rm • 2 Further Recep Rms • 1st Family Rm • Breakfast Rm • Master Bed • Dressing Bed • 4 Baths • 6 Further Bed • 4 Bath • Sep Office • Guest/Staff Cottage

\* 2 Bed • 1 Recip Rm • Bath • Kt • Garaging Underneath

FREEHOLD  
SOLE AGENTS

Bagents

Tel: 01-402 9494  
PRICE UPON APPLICATION

16 Park Rd, Regents Park, NW1 4SH. Fax: 01-724 7055



TOWER  
BRIDGE  
WHARF

ST KATHARINE'S WAY  
WAPPING E1

An inspiring riverside development combining the tradition of a 17th century London Wharf with modern convenience. Close to the tranquil calm of St. Katherine's Dock, yet only minutes away from the bustle of the City. A perfect location.

Prices from £200,000 - £350,000. Sales office open seven days a week. Telephone: 01-405 22054.

PROSPECT  
WHARF

GLAMIS ROAD  
WAPPING E1

A residential development offering an unique location for a London residence combining a prime position on the north bank of the Thames in Wapping. Prospect Wharf is within easy reach of the City and is adjacent to the London Docklands and Millwall - a major Thameside landmark.

Prices from £150,000 - £350,000. Sales office open seven days a week. Telephone: 01-405 4025.

Conrad Smith & Co. Developers  
01-483 9077  
Tennant Residential  
01-236 3520

TRAFAKALGAR HOUSE  
RESIDENTIAL

## Winkworth

PARSONS GREEN, SW6 HERVEY ROAD, SE8

Versatile 1 bed, 1 reception room, 1 bathroom, 1 garage. Situated in a quiet street between the Green and Edgware Road. 2 reception; 4 beds; kit/bkfst rm; bath; sep w/c; lg. cellar. Sole Agents.

Freehold. £225,000

RICHMOND PARK  
01-785 1124

Superb semi detached home in excellent order just a few mins walk from the park. 4 beds; 2 lg. reception rooms; extended kit/bkfst rm; GCH; W facing rear garden. Keys at office.

Freehold. £225,000  
BATTERSEA, SW11

Spacious 3 bed, 3/4 house on 4 floors with flexible design and superb entertaining space. Separate dining rm, 2 baths, study, 1 bed; 1 bath; laundry rm; cellar. lg. terrace. S facing gdn; GCH.

Freehold. £250,000  
FREEHOLD

PARSONS GREEN, SW6

Spacious 3 bed, 3/4 house on 4 floors with flexible design and superb entertaining space. Separate dining rm, 2 baths, study, 1 bed; 1 bath; laundry rm; cellar. lg. terrace. S facing gdn; GCH.

Freehold. £250,000  
FREEHOLD

PARSONS GREEN, SW6

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Freehold. £250,000  
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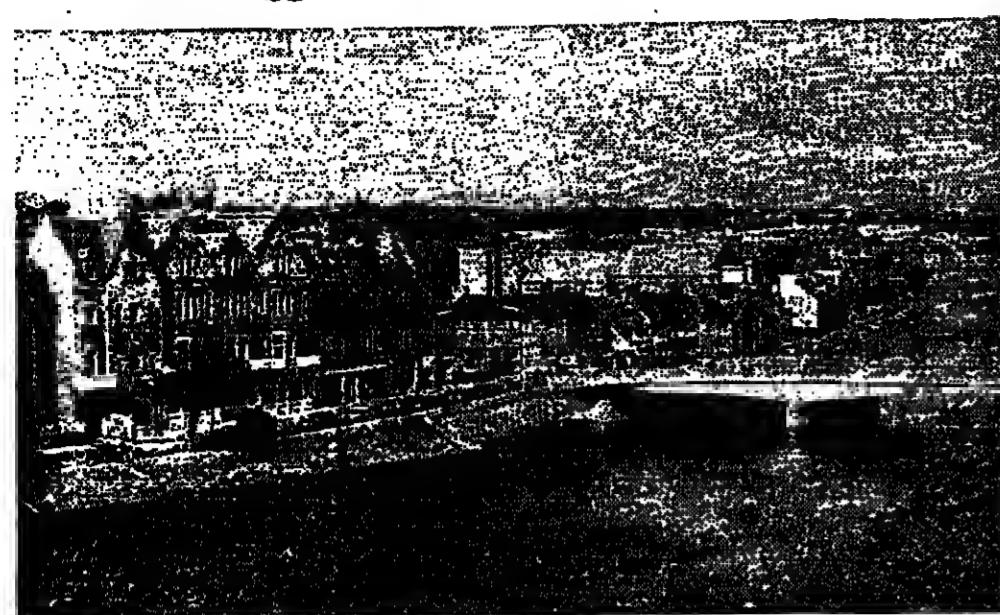
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## PROPERTY

Ken MacTaggart hunts for an Inverness des. res.



Inverness: a laid-back approach to home-buying

## Sedate sales tactics

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The Inverness property scene is distinctly more sedate, and with good reason.

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SCOTLAND'S past has an heroic scale unknown south of the border. It is a vast country, and rich in ancient monuments which stand above the heather or lurk beneath the peat. Yet, years of lack of people and money have meant that, archaeologically, it has hardly been explored while the threats to the Scottish heritage from farming, forestry and coastal erosion are universal.

The budget for rescue work in 1988 is still shamefully small and the 12 regions have six regional archaeologists between them. In Highland, there is one man for an area almost as big as Wales. How can they cope?

It is a battle which the English, with staff everywhere, do not know how lucky they are to miss. Yet I sensed an intellectual excitement in the work that transcends the horrendous difficulties. Making the most of what few resources there are concentrates the mind.

Scottish archaeologists are practising the newest techniques tirelessly and cannily, especially in understanding their ancient landscapes by surveys and test diggs so that sensible decisions may be made about where to allow what.

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That means scrutinising air and satellite views (including infrared maps of the vegetation and the economy), and looking at chemical evidence for human disturbance. These variables plus water, farmland, height and distance from other sites are loaded into a computer. The machine will suggest where sites may be lurking.

Then, it is a matter of going



out to test the method by walking intensively over random 100-metre squares. Do the sites match expectations? Where are their edges, which will show their size and, thus, their relative importance?

The Central Excavation Unit (CEU) is making such a test this year at Kildonan, in Sutherland, before forestry begins. If it works, there will be an immense saving in time on the really large regional surveys Scotland still needs.

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Gerald Cadogan on how Scottish archaeologists make the most of slim resources  
Auld country past on an heroic scale

success in different conditions at Bute in Sussex.

This project is part of an exhibition (until July) in Edinburgh University Library which covers the work of the department of archaeology, now celebrating 50 years under only three professors. The first was the great Gordon Childe.

Edinburgh Castle has a dig to visit. Behind an artillery wall of 1570 a medieval smithy is appearing, and suddenly rich in rubbish dating back to around 1200. Several digs are planned, and there is a good chance of rewriting the early history of the place.

A text records feasting at Dunadd (Edinburgh's old name) for those who went to fight in the Battle of Catterick about 550 BC, until recently, nothing has been found at the castle from before the 12th century. New finds may point to a different story.

A few shards of Roman pottery and a bronze fibula (safety-pin) of the early 2nd century have come up already. Do they mean a Roman fort, traces of which would have disappeared in the later rebuildings? And if there was a Roman fort, why not an Iron Age one before that? It is an attractive idea, but it could be that the Roman pieces were deposited several centuries later. More Roman finds would be conclusive.

The work at the castle will enrich it and reveal more of its history. Soon, the tower of King David II beneath the Half Moon Battery, where the diggers have just finished, will be opened to show the medieval castle.

Tourism eases financial worries for this project. But it still leaves the need for money to discover what happened in Caithness and Sutherland and the rest of the kingdom and bring Scottish funding up to English standards.

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## DIVERSIONS

Philippa Davenport crosses the border to sample Scottish cooking and finds that tradition is a virtue

## Simple ways are best



The Scots are wonderful bakers. Tea-time, like breakfast, is important there. Bakers' shops are numerous and the scent drafting from many of them makes it hard to pass by without stopping for samples. Nowhere else in Britain do you find better bread or a greater variety of baked goods. There are hambocks, baps and scones galore, as well as Scotch pancakes, mutton pies, black bun, Dundee cake, shortbread and oatcakes that are renowned all over the English-speaking world.

Oats are the favourite grain and oatmeal is one of the three major cornerstones of the Scottish kitchen (fish and game are the other two). Dr Johnson was scathing about oats: "A grain which in England is generally given to horses but in Scotland supports the people."

His view is out of fashion now. Oatmeal has become the subject of applause in medical circles, believed to be a valuable form of preventative medicine - a rich and ready source of a soluble fibre called beta glucan, which can help to reduce harmful levels of cholesterol and sugar in the blood.

Perhaps it is because Scottish blood runs in my veins that I find the nutty and creamy rich taste of oatmeal so irresistible. I love foods like porridge, oatcakes, skirlie and Athol Brose. Even more to my liking is pastry made with a mixture of oatmeal and wheatsmeal, and I have a weakness for cinnamon and oatmeal bread and sugar ice cream.

It is exactly like brown bread ice cream.

Best of all, perhaps, is oatmeal porridge. The Scots are justifiably proud of their reputation as soup-makers, and this is one of their prize recipes. In the finest Scottish tradition it is plain, frugal, wholesome, pure and elegantly delicate; it is the perfect sustenance when you're feeling a little fragile, yet would not be out of place at a dinner party.

Sweat a large, finely-chopped onion and three or four celery stalks in butter until softened. Stir in a couple of tablespoons of medium oatmeal and let it drink up the buttery vegetable juices. Add one pint chicken stock, half-cover and simmer until the vegetables are very tender. Whizz to a smooth puree.

Add half a pint of cream, season well and reheat gently, stirring in more cream or milk to thin the soup to taste. Garnish with coarse oatmeal (toasted or fried) and snipped chives.

salmon to serve cold is typically straightforward. The fish simply is put into a kettle in which it sits snugly with enough boiling water to cover it. A splash of vinegar is added. It is then boiled hard for precisely two minutes, then covered and set aside until it is completely cold.

The beauty is that this works perfectly every time, irrespective of the weight and size of the fish - the amount of water needed to cover the salmon and the time it takes to come to the boil are the only variable factors.

Philippa Davenport, cookery writer of the Weekend FT, has won the food writer of the year accolade in the 1988 Glenfiddich awards.

Scotland is equally famous for cured fish, the art of drying, salting and smoking probably having been learnt from Norse invaders. Scottish smoked salmon is the best in the world. Herring, but just as splendid in their own way, are fat berries kippered carefully, bladders (herrings smoked with their guts intact for gamier flavour), Flannan haddock and Arbroath smoked.

Again, the preferred cooking methods tend to be simple. Haggis and eggs are a favourite choice for high tea, pale cream of smoked haddock soup makes an elegant first course for dinner. My own favourite is Flannan haddock à la crème. Poach the fish (on top of the stove or in a baking dish in the oven) in a mixture of milk and cream. Skin bone and flake the flesh.

Put it into a gratin dish or divide it between several ramekins, adding black pepper and plenty of chopped chives between layers. Simmer the fishy liquor until reduced slightly, thicken it with a little beurre manié, then pour the sauce over the fish. Bake briefly in a moderate oven to heat through and flash under the grill to

brown the top just before serving.

Scotland's game larder is the envy of other nations. Sadly, the numbers of grouse are dwindling but the choice and quality of other birds and of furred game remains magnificent. In fact, venison is increasingly plentiful as deer now are farmed.

Plain roast grouse with a splash of clear gravy and a mound of crispy-fried breadcrumbs in the style of dreams. Roast haunch of venison is fast becoming a Sunday lunchtime reality for southerners as well as for the Scots themselves. Serve it the traditional way with scarlet rowanberry jelly, or with pears pickled in sweet wine vinegar in a mixture of milk and cream. Skin bone and flake the flesh.

Chicken appears frequently on the menus of Scottish households. It features in soups such as the famous cock-a-leekie and the exquisite feather fowls. Often, the bird is roast or poached, usually stuffed with oatmeal or accompanied by a creamy bread sauce.

The name howtowdie is believed to

be a derivative of *hutaudere*, an old French word for a fat young chicken, and the cooking method is distinctly Galllic.

To make it, first brown a plump roasting bird in butter in an oval casserole dish into which it fits snugly. Add a few shallots or button onions and a bouquet of herbs. Pour on enough of giblet stock to cover the thighs of the bird.

Lay butter paper over the breast and seal the lid tightly.

Cook very gently on top of the stove, or in the oven if you prefer, until the bird is tender. Then, strip the fat from the cooking liquor, boil to reduce and concentrate, flavour deliciously, and add the lightly-cooked and sieved chicken liver to make a fine sauce.

The chicken traditionally is served surrounded by mounds of freshly-cooked spinach and sometimes with grappled (poached) eggs as well. I find soft-boiled eggs more practical than poached and I like the look of little bantams' or pullets' eggs best. Serve some of the sauce poured over the chicken and the rest in a jug.

Elaboration is rare, simple cooking methods are preferred - allowing the quality and freshness of the produce to speak for itself - and there is a notable reluctance to add anything to the cooking pot unless it makes a positive improvement. This ties in with the general Scottish reputation for thrift. It reminds me of the sensible frugality of French peasant cookery. Perhaps it is part of the legacy of the Auld Alliance.

Certainly, the French influence on Scottish cookery is considerable, it is evident with elegance in the delicacy of many Scottish recipes (the way sauces are often thickened lightly with beurre manié or an egg and cream liaison, for example) and many French words remain in everyday use: *gigot*, *ache* and so on.

Scottish mountain mutton and lamb once were sought after south of the border, the mutton hams being prized particularly. Aberdeen Angus is, of course, the beef by which all others are judged. But in spite of these magnificent meats, the Scottish taste primarily is for fish and game.

Fish is one of the glories of Scotland. Salmon is king but the small brown trout of the burns are wonderful, too. Sea trout is my favourite of all while halibut, baddock, bream, whiting, crab, mussels, oysters and Dublin Bay prawns are all part of the litany.

The Scottish method of cooking

**Tom Fort on how best to pursue the sporting and elusive salmon**

## New angles on the king of fishes

TO CALL salmon fishing a chancy business is like describing the Prime Minister as a woman with opinions of her own. It is true that spending a great deal of money on the best salmon river beats, the finest of equipment and the sagest of advice might diminish the odds, but those who have the salmon fishing disease, or wish to become infected, must be ready to meet disappointment, discomfort and dismay.

The odd thing is that the numbers of those wishing to purge themselves in this way continues to multiply. The demand for good salmon fishing has never been more intense. And Scotland still has more of it available than anywhere else.

It is a truism that the salmon rivers of Scotland are not what they once were. The miracle is that the fishing survives to the extent that it does, given the coalition of enemies that the Atlantic salmon must confront. The depredations of commercial netting - operating at every stage of the salmon's journey from the ocean feeding grounds to the river where it was born and must breed - have brought the species within sight of extinction.

At last, though, painfully and slowly, the recognition of the salmon's true value is dawning in Scotland, the commercial importance of sport fishing for salmon is now acknowledged widely. The business of controlling and restricting the estuary netting interests has at last begun. There is far to go, but at

least there is now cautious hope in place of black pessimism.

Much of the best salmon fishing in Scotland is quite simply out of the reach of ordinary mortals. The most productive beats of the Spey, the Tay, the Dee and the Tweed are not advertised. It is unusual for anything short of death to induce those who fish to these beats to stop doing so.

Decent fishing can be had, however. One way is if you have up to £20,000 to spare and don't find fishing the same piece of water the same week of the year for the rest of your life is time-share. It is also possible to rent beats through the letting agencies - such as Sturt & Parker or Savills - or through advertisements in the sporting magazines. The cost will be steep and the prospects uncertain.

A better bet probably is a fishing hotel and Scotland, from the Borders to Orkney, is thick with them. Another means, offering restricted but by no means negligible opportunities is to book day or weekly tickets from one of the local clubs which have a policy of helping visiting anglers.

Speaking very broadly, the celebrated rivers of Scotland are on the east coast. Among the smaller ones to which the visitor might hope to gain access are the Alness, the Deveron, the Findhorn, the Oykel, the Carron, the Shin and the Cassley.

There is a choice of hotel water on the Tay, the Spey, the Dee and the Don, and a good deal on the Tweed. Facilities on the Conon and Blackwater are available through the Loch Achonachie Angling Club.

Jock Dallas, a well-known Scottish angler, casts a fly on the Spey near Kingussie

West coast fishing tends to be a patchier affair. The runs of salmon are smaller, and without ideal conditions, it can be hopeless. On the other hand, the fish is likely to be cheaper and less exclusive and, if found, puts you in the right place at the right time, the results will be memorable. Among the better-known rivers are the River the Broom, the Dee and the Awe.

To think of Scotland and think only of salmon fishing would be folly and an insult. Indeed, in terms of combining quality and availability, the visitor would probably do better to concentrate on the sea trout and/or brown trout on the only inhibiting factor is that the choice of location is so vast. Coastal rivers and burns have their runs of sea trout, and countless lochs are colonised by brown trout.

This is not the place for specific recommendations. The subject is too colossal and deep

Continued from Page 1

## Battle of the Highlands

an area devastated by high-intensity farming, should try to stop crofters doing things that may possibly affect wildlife in an area of low-intensity farming. It's easy to sit in London and tell someone not to drain a bog."

He points to the Nature Conservancy Council, the government's conservation adviser based in Peterborough, north of London, which has wide powers including the right to declare areas to be Sites of Special Scientific Interest (SSSI) when NCC surveyors consider them to be important habitats for, say, birds. Last year, the NCC designated a quarter of the island of Islay, off south-west Scotland, a SSSI and gave crofters a list of 28 "notifiable" operations including ploughing, harrowing, reseeding and fertilising. The crofters now have to get permission from the NCC before they can do these things although usually it is granted. "This sort of provision is suitable for a 2½-acre wood in Kent but not for thousands of hectares of Scotland," Hunter believes.

Although owners of land can comment on the designation of a SSSI, which in Scotland is decided finally by the NCC Committee for Scotland (on which outsid-

ers are represented), there is no appeal to any outside body. The NCC aroused fury in the Highlands last summer when it recommended there should be a moratorium on all forestry in the Flow Country, an area of 400,000 hectares of bog and moorland in Caithness and Sutherland in the far north. This is where Fountain Forestry - a private forestry company - became notorious for buying up land and planting conifer forests, some of them financed by television personality Terry Wogan and the stars of *snooker*.

Many people in the Highlands had misgivings about this form of forestry and the motivation of those who financed it (the practice is likely to disappear following the Budget changes). But what infuriated them was that the NCC's recommendation, announced at a press conference in London, was reached without any consultation with local bodies and with total disregard for the Scottish economy in which forestry and its downstream industry are seen as a source of long-term employment. "I'd been arguing for five years that the NCC didn't destroy much economic potential," says the HIDE's Crummond. "Then they come and shoot them-

selves in the foot." In the end, the Government allowed planting to proceed on part of the Flow Country.

The Scottish local authorities are lobbying for the law to be changed to give them more power over both forestry and fish farming. But the Highland Regional Council is seeking a further change, and on this it could part company with the conservationists: it wants the Secretary of State for Scotland to have the final say on designating SSSIs in Scotland, ending the antecedency of the NCC.

However, the Highlanders are in favour of the NCC's recommendations, and the motivation of those who financed it (the practice is likely to disappear following the Budget changes). But what infuriated them was that the NCC's recommendation, announced at a press conference in London, was reached without any consultation with local bodies and with total disregard for the Scottish economy in which forestry and its downstream industry are seen as a source of long-term employment. "I'd been arguing for five years that the NCC didn't destroy much economic potential," says the HIDE's Crummond. "Then they come and shoot them-

HAPPILY FOR drinkers, the tide has turned against blended Scotch. Not only are pure malt whiskies among the most fashionable of spirits, but virtually every Scotch distiller has introduced a special blend containing more than 50 per cent of malt whisky. This, of course, is double-distilled in pot stills - like that other "noble spirit," cognac - and thus retains the character of the grain from which it was made and the water used for the distillation.

For a country, the whisky barons have derived the overwhelming bulk of their revenue from whisky, and the increasing supply of spirit (not only in Scotland: the same phenomenon applied in Cognac).

The stagnation in sales of ordinary blends, the malt lagers (now increasing) and the increasing popularity of single malts led by Glenfiddich, and the new management of DCL (no, not Ernest Saunders, Anthony Feeney, formerly of IDV and a man concerned with margins rather

than volume) all have led to a proliferation of high-malt Scotchs.

The malt content ranges from probably less than half - some distillers are still coy on the subject - to a full 50 per cent in the case of the only Irish masher, Blackbush. This is triple-distilled, a rather rugged, tangy whisky, ideal to counter the effects of cold Irish rain.

Blackbush was one of the eight whiskies at a recent tasting organised by Wine magazine, the leading consumer publication in the field. Even the amateurs taking an altogether more exotic turn. But, contemplating the miles or so to the mainland across treacherous water, and the hard 20-minute drive to the nearest doctor I thought better of it. As far as meat and veg were concerned, we scavenged successfully at the hospitable and kindly village on the mainland. However, when the Day comes, I will be better equipped. Not only will I have toadstools for the pot, but venison as well, set off with a sprig of rowanberry jelly. If my little band of brave survivors tire of venison, then I will go in search of the capercaille, ptarmigan, grouse and the wild mountain hare, much cheered by the knowledge that it is all free. Come to think of it, much of it is now.

So there were cockles to be picked up at low tide, and clams to be dug up. Whether they were

Peter Fort

Nicholas Faith on how high-malt blends of whisky are fighting back

## Hauling Scotch off the rocks

Label and Dimple Haig, but these were promoted widely only after the launch of Chivas Regal, the world's most successful "luxury" brand.

This was launched by the late great "Sam" Bronfman, who knew that post-war drinkers wanted blends smoother than those available from Distillers. By no coincidence, Chivas Regal was not blended by a Scotch but by a cockney, Len Julian, who had earlier blended two scotches for sale in London's clubland. These, Berry Bros' Cutty Sark and J & B Rare from J & B & Sons, had shown that drinkers, especially in the US, were looking for lightness. This was achieved not by reducing the percentage of malt but by using light, fragrant grain.

The promotion of whiskies made largely from malt was long overdue. To purists, the whole idea of blending is an abomination. "It's as though they were mixing malt with vodka," as wine writer Jancis Robinson once put it. The makers of cognac, calvados or houblon would be horrified at the idea of mixing their characteristic spirits with a neutral alcohol although, to be fair, the grain used in blended malt is not entirely neutral but retains a certain warmth.

By no coincidence, the Distillers Company Ltd (DCL), long the dominant force in the industry, was formed originally by a group of blenders and grain distillers who established their right to the name "Scotch" only after a prolonged struggle. But for 75 years it concentrated on volume, producing more than 100 blends. Many were very similar, most sold at around the same price, and the company refused to promote single malts because this would mean an unfavourable spotlight on blends.

Of course, it always had owned superior blends with more malt, such as Johnny Walker Black

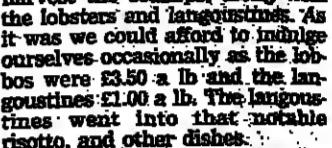
## Gastronome's last stand

WHEN WESTERN civilisation finally collapses, I will head for Scotland. The unkind may take the view that this is eminently sensible because you are less likely to notice the demise of civilisation in Scotland. Phooey. I say. My reasons are entirely gastronomic.

I will leave it to Philippa Davenport to guide you through the complex rituals of breakfast, cock-a-leekie, haggis and bashed neeps that you may come across in hotel and home. These may not survive into the new Dark Ages. She is quite right, incidentally, about the quality of Scottish breakfasts, although she passes over the delight of porridge with condensed milk.

Of course, if we had diving suits there would have been no problem. We would have been able to dive for the scallops, along with the lobsters and langoustines. As it was we could afford to indulge ourselves occasionally as the lobsters were £3.50 a lb and the langoustines £1.00 a lb. The langoustines went into that notable risotto, and other dishes.

The lobsters were steamed in a great overcoat of seaweed on the barbecue. It did for the lobsters -



Food for Thought

and for the barbecue, which collapsed under the combined weight. Not that we minded. The lobsters had an unexpressed freshness and moistness. It occurs to me that refugees from chaos may not see an unbroken shell of salmon as all that desirable. My family were of much the same mind. We could have dined on mackerel, and quite possibly larger fish, conger or dogfish, but we didn't.

Had I been confident in my identification of exotic edible boletus, our menu could have taken an altogether more exotic turn. But, contemplating the miles or so to the mainland across treacherous water, and the hard 20-minute drive to the nearest doctor I thought better of it. As far as meat and veg were concerned, we scavenged successfully at the hospitable and kindly village on the mainland. However, when the Day comes, I will be better equipped. Not only will I have toadstools for the pot, but venison as well, set off with a sprig of rowanberry jelly. If my little band of brave survivors tire of venison, then I will go in search of the capercaille, ptarmigan, grouse and the wild mountain hare, much cheered by the knowledge that it is all free. Come to think of it, much of it is now.

So there were cockles to be picked up at low tide, and clams to be dug up. Whether they were

Peter Fort





## DIVERSIONS

# A tale of two cities: Lucia van der Post discovers the elegance of Edinburgh and the go-ahead sparkle of

## Tips for the consumer clan

THE LOVELY thing about Edinburgh is that not only is it quite extraordinarily beautiful but for the would-be explorer it is clearly laid out, and being relatively compact you can easily tackle it on foot. There is also the pleasing contrast of the old city, of the almost medieval looks and crannies off the Royal Mile and the serene splendour of the New Town with its fine squares and crescents. For those of you who don't know the city perhaps these suggestions will give you somewhere to start.

### Words of warning

Princes Street, which I had remembered as one of the grandest, most imposing, most traditional of streets, is now, for me, at least, an entirely missable feast. Only Jenners has retained any of the old atmosphere. And even Jenners (ah, dear me) isn't what it was. However, if you're looking for some authentically Scottish presents it is worth a visit. There are splendidly sturdy wooden butter pats and breadboards with the carved thistle pattern and the Scottish foods - Jenners own-label butter lemon cheese, raspberry preserves, whole strawberry preserve, mint bumbugs and pure butter shortbread all seemed like good buys.

### Art

Edinburgh struck me as a very good place for the would-be collector to start collecting. Tucked away in what seemed unlikely places are the sort of galleries that are a pleasure to browse in.

The Open Eye Gallery, 75/79 Cumberland Street, Edinburgh EH 6 6 RD. An exhibition of the recent works of Donald Manson was just about to open (it's on until May 12) and though I wasn't tempted to buy, many people would love his rather gentle still lifes. Certainly, another visitor going round the gallery with me couldn't stop exclaiming over the prices (quite large canvases at about £500, smaller ones from £180). Also some very fine ceramics by Andrew Broughton-Tompson which I did rather covet and which again seemed way below the going London prices.

Hanover Fine Arts, 104-106 Hanover Street. This gallery was full of exceedingly accessible works, all by Scottish artists, at exceedingly accessible prices. The one picture I truly coveted had already gone and at £120 could, I'm told, have been sold many times over, but there was lots of choice from £25 upwards.

Coleridge, George Street. Most famous for its massive glass - go either for some eminently desirable and useable goblets by Lindean Mill, some delightful vases and bowls in the Memphis style or for some of the more exclusive special pieces by Peter Layton whose exhibition has just opened.

### Scottish crafts

No visitor to the city could miss the many touristy shops selling the kind of tartan-clad tat that they seem to think tourists want. If you're looking for something with a Scottish flavour but



Pine & Old Lace, in Edinburgh's Victoria Street, just one of the many shops packed to the brim with old treasures



David Ingram, of Dunedin Antiques in North West Circus Place, with an 1820 paper scroll tea caddie

a bit of style give them a miss and head for these two shops instead.

The Glassmarket, 25 Jeffrey Street. A fine shop specialising in high-class Scottish wares, clean, classy and refreshingly free from tawdry trinkets. Beautiful glass by Lindean Mill, fine ceramics, marvellous wooden engines made from spare bobbins left over from the abandoned mills, and a fine selection of postcards.

Macdonald Nelson Trading Company, 34 Victoria Street. If you MUST buy something with some tartan on it, you should take a look at Macdonald Nelson. Handpainted wooden buttons, all embellished with some form of tartan, as well as hand-painted tartan (tartan, of course) soaps. Lots of woollens, soaps, toys, prints as

mary and paisley shawls.

Ellen Ford, 37 Thistle Street. A small shop but always worth looking at - you never know what you'll find.

Joseph H. Bonnar, 72 Thistle Street. THE small shop for the jeweller lover. Small, dark and jewel-like itself, it always has lots of Art Deco pieces, fancy diamond rings, Victorian rings, amethyst and citrine necklaces, as well as a good selection of cufflinks and dress-sets.

Letham Antiques, 20 Dundas Street. Dundas Street is well worth wandering up and down - start at Letham Antiques, where there is a large selection of old china of all sorts, silver, furniture, pictures.

Unicorn Antiques is much scruffier but burn around and you may find something. Lots of old brass rods and door handles. Downstairs is some striped pine and a workshop for paint effects of every kind.

Alan Day Antiques, Dundas Street. Hunt around and you may be happily surprised - I bought a charming pub rummer for a fraction

of its price in London.

The Little Red House, 62 Candlemaker Row, sells old textiles and linens - some beautiful antique blouses. Paisley shawls (sometimes), cushions made from torn Paisley shawls and fine old embroidered pillows.

Ye Olde Curiosity Shoppe, Victoria Street. It is, apparently, often closed, and indeed was so on the day of my visit but my Edinburgh spy tells me that she regularly checks it out for its Wemyss Ware and Clarice Cliff.

Tessa Bennett Antiques, 18 Victoria Street. The antique shop I most enjoyed browsing around. Not large but Tessa Bennett has a good eye for decorative pieces. There is usually a selection of antique Paisley shawls (I much coveted one but balked at the £375 price tag only to discover later that for a shawl in perfect condition that is almost in the bargain class), samplers, linen, china, silver and some Scottish pottery and treen. Collectors of Mauchlineware should head for Tessa Bennett as there is always a good selection in stock.

Paul Conn, corner of Victoria Street and Grassmarket. Classy antiques - the place to go for fine Georgian furniture, mirrors, canisters and some pictures.

Aldie Young, 49 Thistle Street. Rather expensive fine furniture - a 17th century walnut chest on stand at £6,500 was there on the day I looked in as well as ornate gilt mirrors and there is always a selection of Adam mantelpieces.

Kenneth Jackson, 68 Thistle Street, goes in for decorative pieces like French armories, tapestry-upholstered furniture, stat-

tion of the going London rate.

Margaret Brown, St Stephen Street, Stockbridge. This tall little street, full of builder's debris and rubbish is a must for the ardent shopper. Lots of little antique shops. At Margaret Brown's you'll have to ring the bell and then you can enter and rummage around. There was some truly beautiful blue and white Spode the day I looked in but clearly it's pot-hunt.

Hand in Hand, 3 North West Circus Place (just around the corner from St Stephen Street) is one of Edinburgh's most famous shops full of impeccably laundered old linens and textiles, Paisley shawls, Victorian bed-spreads, lace camisoles, antique pillows and the rest. I found it charming but very over-priced.

### Fashion

Rose's Hat, 58 Candlemaker Row. A marvellous collection of straw hats, floppy wide-brims and Rose's own collection of fine silk trousers, dresses and jackets.

Clare Schilke, 46 Candlemaker Row. Colourful, striking and utterly modern in feel. Clare Schilke has her own inimitable way with wool and once you've seen her style you'll know it anywhere. Long, striking cloaks to wrap you up against the Edinburgh wind, long scarves, big sweaters.

Campus, 42 Grassmarket. This must be where the well-heeled undergraduate buys her clothes - lots of Jean Muir and lots of ball-gowns.

Chris Clyne, 66 Dublin Street. One of Scotland's best-known fashion designers - very pretty, wearable clothes but nothing is cheap. Look for elegant daywear and dazzling evening dresses - daywear starts at about £200, ball-gowns at £1,000.

Droopy & Brown, 70-72 Frederick Street, is, I imagine, where the undergraduate set buy their ball-gowns. Lots of nostalgic, romantic evening wear, full of ribbons and bows.

Number Two, 2 St Stephen Place. Really beautiful knitwear - I would call it designer knitwear if the term hadn't been so debased. Look out for marvellous cotton rose-strewed jumpers, for Johnsons' elegant fine lamb-swoos and a whole host of covetable hand-knitted numbers.

Stewart Christie, 64 Queen Street. Something for the men. Bespoke tailor for made-to-measure Inverness capes - should keep him warm on the moors.

Geoffrey (Tailor) Highland Crafts, 57 High Street, for a huge selection of Highland dress. Kilts made-to-measure and more than 200 kilts in 60 different tartans for hire. Also warming tartan blankets, Aran and Icelandic sweaters.

The Shetland Connection, Lawnmarket has lots of real Shetland knitwear as well as a big selection of children's Fair Isle sweaters and hand-knitted Arans.

Edinburgh Woollen Mill, 129 Princes Street. Don't go for style or high fashion but for incredibly well-priced basic knitwear.

### Classic

Harpers Country Style, Victoria Street. Redolent of country pursuits - Tattersall check shirts (only £3.95 each), North Sea Stockings warm enough to keep the sharp east winds at bay, decoy ducks, Badminton caps, Harris Tweed hats, shooting sticks, woolen rugs for chilly Highland picnics and a wonderful selection of walking sticks.

Roxton, 52 George Street. Roxton has the look of a long-established Edinburgh purveyor of wares to the bunting, fishing and shooting set but in fact is less than a year old. However, the air of authenticity is unmistakable - whether it be a tweed suit (will it be with trousers or breeches, sir?) or a Loden cloth coat (a shooting friend tells me they are the best of all for keeping out the damp and the cold) you may be sure it does its job naturally and interestingly and beautifully.

Inchouse, 28 Howe Street. A

marvellous shop specialising in

in fine quality contemporary design of all sorts - locals obviously

would stop off there for every-

thing from a Magistretti chair to

a Cassina sofa but the passing

visitor could glean many a lovely

memento. Fine prints, wonderful

black rubber table-mats (a good

alternative for those who are

tired of bunting scenes), lots of

classy china, glass, cutlery and

the nicest oven gloves I've yet

come across. Also very modern

super lighting. Well worth a visit.

Inscape, Dublin Street. Won-

derful dried flowers - not dusty

old bunches of daisies but really

well. There are navy wellies to go tons

of.

Whisky shop, Waverley

Market, Princes Street, has the

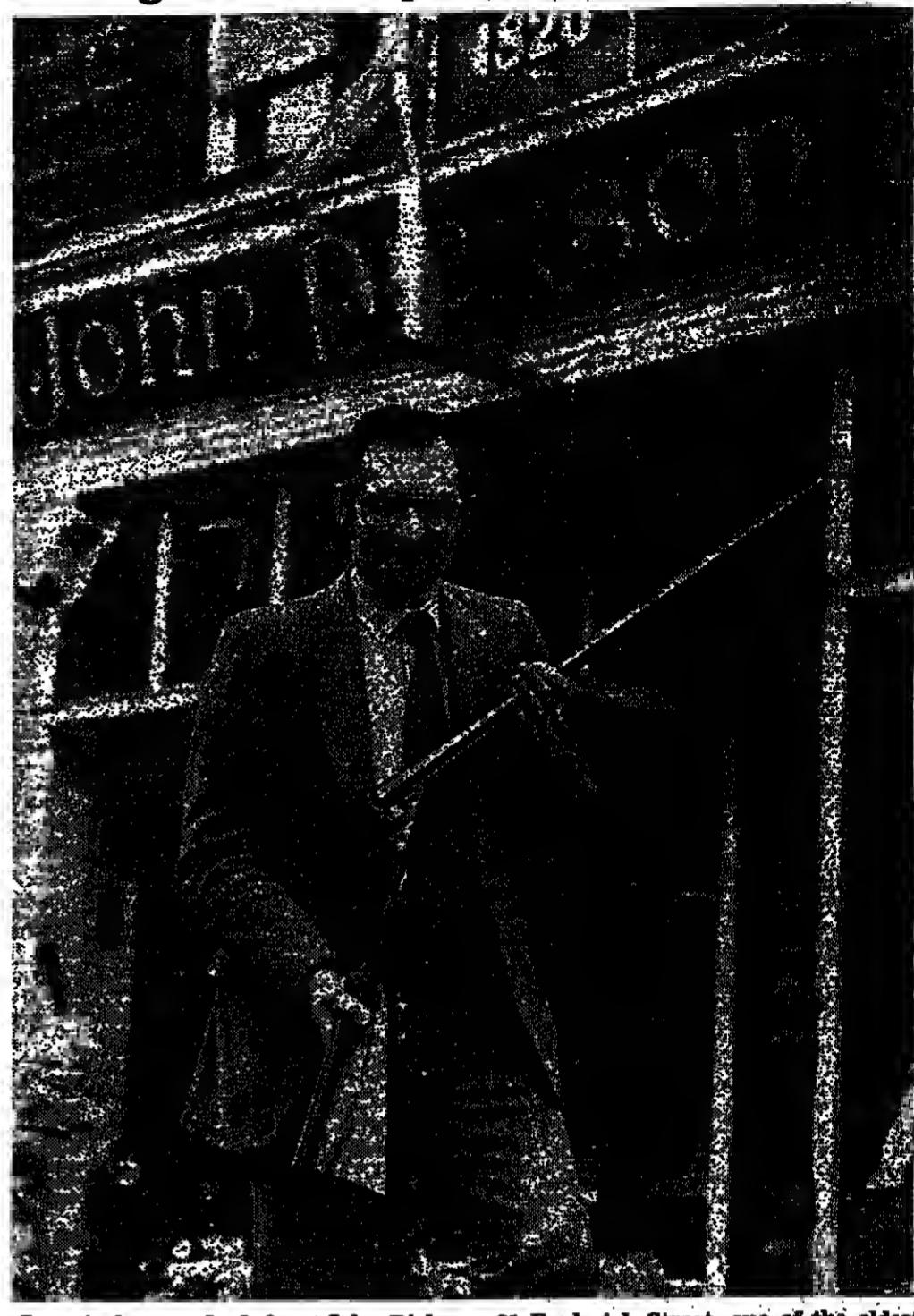
biggest range of whiskies in

Edinburgh - about 500 malts and

200-300 blends. Also some mind-

boggling souvenirs.

Continued on next page



Guns to be proud of, from John Dickson, 21 Frederick Street, one of the oldest gunsmiths in Edinburgh

### Records

The Gramophone Emporium, St Stephen Street.

Said to be Miles' Kingston's favourite shop, Scrummage around for ancient 78s, LPs and lots of rare items.

### Presents

The Bay Tree Company, 54 Hanover Street. One of the nicest shops specialising in everything made from paper that I've seen. If it's just a notebook or a pencil that you want it'll be prettier here than anywhere else.

### Food

Valvona and Crolla, 19 Elm Row. Edinburgh people urged me to visit this marvellous Italian provisioner. Mama and Papa Contini give some authentic Italian colour and purvey everything from fresh Parmesan to pasta galore, bitter chocolate to Italian wines.

Kinnells, 88-92 Victoria Street. Hand-made oatcakes; marvellous preserves. Raspberries in cassia, hand-made chocolates, fine teas and coffees and high-class catering service. If you're off for a day's outing you could order their take-away lunch boxes, filled with things like smoked salmon and caviar.

### Whisky

The Whisky shop, Waverley Market, Princes Street, has the biggest range of whiskies in Edinburgh - about 500 malts and 200-300 blends. Also some mind-boggling souvenirs.

Continued on next page



### ANTARCTICA

The frozen continent of the south is the world's last pristine wilderness.

But Antarctica is under threat from nations competing to exploit its living and mineral resources.

Greenpeace has established its own research base in Antarctica and is working to secure a protected status for the wilderness and its wildlife - a world park - free of military and industrial intervention.

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## Glasgow and finds there is more to shopping in Scotland than tinned shortbread and tartan tourist tat

# Style struts in Glasgow



Studio glass from Peter Taylor's current exhibition at Coleridge's fine showrooms in Edinburgh's George Street

Continued from Page XX

**Free**  
There's lots to do so buy a good guide. Here is a small sample that I managed to take in.

**The Museum of Childhood: The Royal Mile.** One of the most delightful museums I know. The day I was there most of the fixtures could hardly believe that all this enchantment could be had for free. Full of delicious dolls, old-fashioned toys, as well as some timely reminders of the days when the Milkmen's wives were mostly 'manned' by children. A small selection of quite charming presents for children - mainly colouring-in books and the like - are on sale.

**National Gallery, The Mound.** Such a pleasure to wander round a gallery and not be passed by crowds. You won't be able to take it all in at once so, for starters, make for the Scottish artists in the basement and don't miss the Pioneers in room 14.

**Scottish National Portrait Gallery, Queen Street.** Lots more local colour for the gallery was founded in 1882 to 'illustrate Scottish history by likenesses of the chief actors in it'. All those formidable looking celebrities certainly give one quite a sense of history.

### Eating out

If you still think of Scottish food as stodge and starch you're in for a happy surprise. No doubt largely due to its student population and the attraction of the Edinburgh Festival there is now a vast choice of attractive places to eat, from the grand and imposing Pompous Room in The Caledonian Hotel, Princes Street, to the many pubs and wine bars serving good wholesome food at (by London standards) exceedingly reasonable prices.

Go armed with *Conrad Will's Where to Eat Well in Scotland* (published by Gemini Books, £3.95).

**L'Auberge, St. Mary's Street, tel. 031-556-5888.** French and classy with the kind of service that one had feared was out of fashion. Dinner will set you back at least £25 a head but there is an excellent two-course lunch for around £7 a head.



Convertible goblets and tumbler hand-made by Lindean Mill in Galashiels, stocked by Coleridge and The Grassmarket

at least £25 a head but there is an excellent two-course lunch for around £7 a head.

**The Howffordie, 27a Stafford Street, tel. 031-225-6281.** Nowhere is the visitor more grateful for the lingering influences of the Auld Alliance than when it comes to food. If you have yet to discover the glories of Scottish cooking now is your chance. The Howffordie serves it at its best. Try the Scottish menu for £20 and you will not be disappointed - parcel of haggis served with a creamy leek sauce, cullen skink, collops in the pan and cream of Rob Roy.

**Le Chambertin, George Hotel, George Street.** If you want conventional posh French food (and why not?) in elegant surroundings this is where you go.

**Timilia, Easter Road.** Brilliant Italian domestic cooking, lots of interesting pastas and very inventive recipes.

**The Vintners Room, 87 Giles Street.** For ye ancient atmosphere - seventeenth century

### Where to stay

**The Caledonian, Princes Street, Tel. 031-225-2433.** Large, grand and not for those who are looking for countryhouse charm.

**The George, George Street, Tel. 031-225-1251.** Traditional Scottish hotel. Very expensive and rather dark. Its chief claim to fame is its wonderfully central position and its respectable establishment air.

**Preston House, Priestsfield Road, Tel. 031-668-3346.** Just outside Edinburgh, it's the place to go when you want to be cosseted. Baroque grandeur, set in its own parkland.

### Motoring

## Take a Seat - or two

ARE THE Scots as tight-fisted as tradition would have us believe?

A friend tells how he was travelling from London to the far north of Scotland on his BMW motorcycle with a baggage trailer. On the Forth road bridge, near Edinburgh, he was charged a toll of 10p. But on the next estuarial crossing - the Dee, I suppose - 30p was demanded because of the trailer, although the bridge was nothing like so grand.

When asked why, the man in the toll booth replied: "The farther north you go, the nearer we get."

A true story? My friend, who is of Scottish descent, swears it is. But I reckon the Scots are just careful about how they spend their money. That applies particularly to things like cars which start to depreciate the moment you sign the cheque.

Of which suggests that the Seat Marbella, the latest import from Spain, is likely to get a warm welcome north of the border when it arrives in Britain on May 23. Few cars today are cheaper to buy or run. Exact prices will be announced nearer the day but I expect them to be at least 5 per cent below those of comparable Fiat Pandas.

That suggests a base 850L model price of about £3,800, with the 900GL costing between £4,150 and £4,200. This means the Marbella will undercut everything on the market except for the geriatric from East Europe. Both models are in insurance group one.

The Marbella is really a Panda that speaks Spanish with a German accent. As a design, it is a hangover from the days when Seat was Fiat's subsidiary. But Volkswagen took over Seat and its engineers have reworked the little car.

"Now, we are either the Latins of the Volkswagen group or the Volkswagen of the Latins," said Seat managing director Juan Jose Diaz Ruiz at the launch of the right-hand drive Marbella in Madrid last week. "The car is Latin in looks but German in quality, reliability and performance."

Individually, the changes are small - things like modifications to the 843 cc and 903 cc engines to improve efficiency and reduce exhaust emission. Both will run on two-star fuel; the larger one can also use lead-free petrol.

The main difference between the two models is that the 850L has a four-speed gear-box while the 900GL includes the five-speed box from Seat's own-designed Ibiza.

Externally, they are the same, with plastic body protectors all round. The 900GL has a nicer inside and a rear-windshield wiper. But even the 850L has twin exterior mirrors, two-speed wipers and reclining front seats.

Driving the Marbella was a refreshing change after all the multi-cylinder marvels studied with sophisticated electronics - a bit like having a ploughman's pie and a pint after too many banquets.

The main N4 road south of Madrid has all the charm of Scotland's M8 and nearly as many heavy lorries. But the 850L, its engine buzzing cheerfully, kept up easily with the stream. It showed just over 60 mph (100 km/h) on the speedometer in third and more than 80 mph (128 km/h) downhill in fourth.

Off the main highway, it belted nimbly up and down twisting hills and rode buoyantly on the rough bits. In the narrow streets of small towns - yes, we got lost, but of course I blame the map -

only a bicycle could have been handier.

The official figures suggest the 850L would give an owner about 40-45 mpg (1.05-1.2 litres/100km) in normal use. With its higher gearing, the five-speed 900GL would be slightly more economical, especially on the open road.

Having another five horsepower (40 against 35) the 900GL feels livelier, but anyone looking for a car to use as a shopping basket would be happy with the 850L. Five-speed gear-boxes mean nothing when your average trip is to the school or supermarket. In fact, a four-speed box might even be preferred.

The seats are quite comfortable, although I would have liked more rearward adjustment and the roof was too near my head if I sat upright. As the rear sill is low it should be easy to hump heavy things into the Marbella, and the load floor is flat.

Who will buy it? Obviously, people with little money to spare who have become fed up with second-hand cars and want to start from scratch. But it could also appeal as a runabout for the retired because it is light to handle and would carry dogs, golf clubs or grandchildren.

In fact, anyone who wants a box on wheels that should give no trouble is a potential Marbella buyer. You could think of it as a three-door successor to that ultimate household hold-all, the Renault 5.

Future variants will include a higher-roofed van called the Terra that will be offered also with side windows and a back seat. And a Marbella with switchable four-wheel drive is a distinct possibility.

Stuart Marshall

POPULAR prejudice, for those who haven't ventured North of the border, is that Glasgow is a grim Northern city, more notable for impenetrable accents, urban decay and dilapidated buildings than the sort of metropolitan charms that might tempt the wandering traveller.

In fact Glasgow has gone through an amazing renaissance in the 1980s. The Merchant City has been completely transformed; all those derelict and crumbling blocks of fine Victorian architecture have been lovingly restored. At last the city centre is coming alive again. The young and upwardly mobile are pouring into the restored flats and new housing developments.

Regular readers of the arts pages will need no reminding that there has been a huge cultural explosion in the city. Mayfest (May 1-2) is the second biggest international festival in Britain. The Mahabharata is playing to full houses. The Citizens' Theatre has one of the best theatre companies in Europe (don't take just my word for it, ask Michael Coveney). The Glasgow Boys, a group of young, thrusting painters (Steven Campbell, Adrian Wisniowski, Peter Howson) are currently the darlings of the New York art world. And if you want further confirmation of the vibrancy of the Glasgow art scene turn to page XXIII where several of our art critics take a serious look at just some of the current events.

The Courthouse Fashion Centre is another part of the rebirth of the Old Merchant City. A joint venture between the Scottish Development Association, the district Council and private enterprise, it will make use of the old vacated Sheriff Court. It has a "B" listed 19th century interior and by 1990 the year when Glasgow becomes European City of Culture, much to Edinburgh's chagrin, it will have shops, design studios, a costume museum, catwalks, library and what is rather ponderously referred to as a "resource centre".

Edinburgh may still be the city for the lovers of the old, the traditional, the gracious, but Glasgow is newer, brighter, the city for the style conscious. As one of Scotland's leading fashion journalists told me, "Glasgow is much more clothes conscious than Edinburgh, you can see someone walking about in £1,000 worth of clothing every 15 minutes."

There's a strong and flourishing sense of Glasgow style, which many of the young fashion designers are beginning to express in particularly vibrant form. As Anne Simpson, Chief Assistant Editor on the Glasgow Herald, put it in an introduction to a booklet on "Glasgow Style": "Style struts through the city, as brazen and beckoning as sin. Such self-regarding relish isn't new. Even in its grimmer moments this city has always known how to rise above the grotesque with swank. Today, though, a vivid and determined colony of home-grown designers have added another dimension to the Glaswegian's profigate delight in dressing up."

People like Lex McFadyen, Spencer Tonkin (who worked with Jean Muir), Morna Withers, Betty Jackson, Workers for Freedom, Lance Hughes, Ally Capellino, and the Cloth. Campus, 3-5 Gibson Street, like its Edinburgh cousin, has lots of designer names and lots of style and absolutely up-to-the-minute cuts.

### Shopping centres

The Briggait, 72 Clyde Street.

Open Monday to Saturday from 9.30-5.30 pm, closed Tuesdays and open on Sundays from 11.30-5 pm. This is a place not to be missed. Here in a beautiful listed 19th century fish market is a collection of different shops selling presents, crafts, clothes and masses of young fashion shops.

Princes Square Shopping Centre.

Just opposite Princes in Buchanan Street is this new shopping centre, long-awaited by the locals. A vast and rather beautiful emporium designed around a mosaic courtyard on two floors with glass-fronted elevators and ornate wrought-iron balconies in Art Nouveau style. It is well worth a visit. Here Katherine Hamnett has her only shop outside London. Whistles, too have just opened here, the first high class London retailer to come to the development. They are selling their own label as well as Lolita Lempicka, Georgina Godley, Myrene de Premonville.

### Antiques

Glasgow doesn't have a lot to offer the dedicated antique hunter but there is one phenomenon that is not to be missed. Sunday morning at The Barras in Glasgow's East End. Ask any Glasgower where it is and he will probably lead you there himself. Huge warehouses and stalls are piled high with anything from real old tat to amazing bargains. Tales of bargaining are legion. Somebody I met had bought a captain's sea-chest for £2.50 and a partner's desk for £3 and not years ago, either, in the past six months.

Victorian Village, 53-57 West Regent Street, is worth a wander - a number of tiny shops sell everything from period clothing to silverware, Art Deco, militaria, porcelain and other bric-a-brac.

Virginia Street Galleries, a collection of shops selling bric-a-brac, antiques and some clothes.

### Fashion

The Warehouse, 61-65 Glassford Street. Not to be confused with Jeff Banks' Warehouse Utility Clothing Company. All the top name like Jasper Conran, Jean-Paul Gaultier, James Ligerio, John Flett, Dries Van Noten, Timmy Fowler and Lance Hughes, Ally Capellino, and the Cloth.

Campus, 3-5 Gibson Street, like its Edinburgh cousin, has lots of designer names and lots of

style and absolutely up-to-the-minute cuts.



Dream your dreams in a four-poster and dine in sumptuous comfort at Glasgow's One Devonshire Gardens



Collections, 109 Canongate. Very smart, new interior design shop with furniture by David Murphy and much else for the home besides.

### Need a haircut?

Glasgow boasts some hairdressers that really are world class.

Irvine Rust, 49, West Nile Street (tel. 01 221 1472). Irvine and Rita Rust are currently British Hairdressers of the Year; classy crimpers who bomb around the world spreading the Glasgow style gospel but whose well-trained stylists will give you a cut to conjure with.

Schimshaw's, 3 Wilson Court, Wilson Street (tel. 01 552 5252). Lots of minimalist decor, zany style and absolutely up-to-the-minute cuts.

### Free

Inscape, 97-99 Great Western Road. Piles and piles of baskets and dried flowers of every conceivable kind, as well as pot-pourri and silk flowers.

Don't set foot outside without a copy of Glasgow for Free by Debra Shirley and Mary Peplow, published by Grafton, £2.50.

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Anthony Curtis looks at two books on that most eccentric Scot, Robert Louis Stevenson

## The laird of Samoa

**ROBERT LOUIS STEVENSON: THE LANTERN BEARERS AND OTHER ESSAYS**  
edited by Jeremy Treglown. Chatto & Windus. £16.95. 230 pages

**DEAD MAN'S CHEST: TRAVELS AFTER ROBERT LOUIS STEVENSON**  
by Nicholas Rankin. Faber & Faber. £14.95. 366 pages

WRITING FICTION is a sedentary occupation pursued, unlike most jobs, in solitude. Robert Louis Stevenson succeeded in turning it into something else. If ever there was an example of the writer as a doer and a goer rather than a stay-at-home or a martyr to the cork-lined study (Flaubert, Proust, James) it was he. From Edinburgh to Bournemouth to the Cévennes, to San Francisco and to Monterey in California, to Hawaii and Samoa where he died, was the basic itinerary. An industrious invalid, a rooted expatriate, a bookish man-of-action, a poet who relished local politics, a scholar who avoided libraries, Stevenson was a fiery bundle of contradictions until he burnt himself out living the life of an eccentric Scottish laird among the tribesmen of Polynesia.

The local peasants were by no means his only company in his exile. Stevenson would act as host to visiting Americans like Henry Adams and John La Farge; he would hobnob with German officials and Catholic priests; he would involve himself in the internecine quarrels of the indi-

enous royal, and at the same time preside over his own family circle which he had brought along with him: his mother, his American wife Fanny, considerably his senior, her son Lloyd and daughter Belle who became his amanuensis when he was too weak to drive his pen, her young son Austin, and occasional transient relations who voyaged out to see them.

During those final years from 1890 to 1894 he wrote *The Beach of Falesá*, *The Ebb Tide, Catriona* (the sequel to *Kidnapped*), a history of Samoa, *The Wrecker* (with Lloyd), the unfinished *Wrecker and Various Shorter Tales and Poems*. In between he made extensive additions to his house; he hedged and ditched; pruned the weeds and planted cacao seeds; rode his horse Jack on long treks; explored the courses of the five surrounding rivers; learnt the native languages; played the fagot with which he accompanied Belle on the piano, and diverted himself with chess and cards.

Stevenson was also a punctilious letter-writer and for the whole of the time he kept up a correspondence regarding the chief events of his life and his literary labours with his mentor Sidney Colvin, the art-historian. In 1892 it occurred to Stevenson that a man could make some kind of book out of it [his correspondence] without much trouble" which Colvin promptly did in the posthumous *Vallima Letters* a few years later. To savour the full range of Stevenson's non-fictional prose they are (as they were then known)

need to be read alongside Jeremy Treglown's new selection, *The Lantern Bearers And Other Essays*. In the letters we have the larky, bohemian, spontaneous Stevenson exerting that power of anecdote which he charmed his circle at the Savile Club when in London. To be sure, the essays are by no means devoid of humour, as is evident in the earliest printed here, *The Philosophy of Umbrellas* (1871), but they are set-pieces, intricately engineered constructions whose steady sentences take the strain of the writer's meaning with easy grace.

Treglown has wisely included those essays where Stevenson came to terms with writers with whom he felt a particular kinship. Pepys, Burns, Whitman, and he gives us, too, Stevenson's attempt to unsnarl a male chauvinist reputation in John Knox and his Relations to Women. In *A Humble Remonstrance* (1884) we can observe Stevenson joining in a public argument on the nature of fiction between Henry James and Walter Bessant and making some useful distinctions about the novel of adventure. He has the same urbane in abstract discussion as he does in the more Ladd-like musings on dogs, dreams, walking tours, or falling in love. The one but last item shows yet another side to his character, his capacity for anger, which is called Father Damien. An Open Letter to the Reverend Dr Hyde of Honolulu. The Father was a Catholic priest of Belgian origin who had worked among lepers (as they were then known)



Robert Louis Stevenson: fiery energy

in Honolulu for 16 years, finally dying of the disease himself. Stevenson had visited the Father in the colony and had been incensed to read a vicious obituary of him in an Australian paper written by a Presbyterian minister. Strangely, the same Stevenson, visiting all the places where he had lived or stayed, unearthed any remaining traces of him still extant, and describing these regions as they are now. He visited, for instance, the museum at Father Damien's birthplace near Leaven and his grave in Kalawao. He went also along the Stevenson-Greene trail and discovered fresh evidence of the link between them.

**THE SCOTTISH FINANCIAL SECTOR**  
by Paul Draper, Iain Smith, William Stewart and Neil Hood. Edinburgh University Press. £45.00. 347 pages.

IT WAS a Scot - William Paterson - who founded the Bank of England, and Scots invented the overraft and pioneered the investment trust. Today in Edinburgh, and to a lesser extent Glasgow, the successors of these men run what is arguably the only genuine financial centre in Britain apart from London.

Scotland has its weaknesses as a financial centre. Unlike, for example, Zurich or Frankfurt, Scotland is, as they put it, "weak in the provision of markets for the trading of financial instruments." In other words, it has no markets at all apart from a branch of the Stock Exchange in Glasgow. Scotland has little involvement in the trading of futures, unlisted securities or options. Yet once there was even a stock exchange in Greenock.

Furthermore, although the

poor, hampered not only by regulations restricting advertising but also, the authors imply, complacency.

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Furthermore, although the

Scottish banks may actually be more innovative than those in the south - the Bank of Scotland, for example, was the first British bank to introduce an electronic home banking system - they are not big enough to provide large companies with services of the same scale and comprehensiveness as their counterparts in the south or overseas.

The life assurance companies and fund managers are doing well now, and should profit from the revolution in pensions, but it should not be forgotten that they were very slow to go into unit trusts and unit-linked insurance. They are rarely as aggressive as some of their counterparts in the south. The many investment trusts run from Scotland may have a good investment record but the marketing of them is

## Crystal ball-gazing

**INTO THE UPWAVE**  
by Robert Beckman. Milestone Publications. £15.95. 616 pages.

THOSE WHO cannot learn from history, said George Santayana, are condemned to repeat it. The modification of the idea to apply to Bob Beckman could be, perhaps, that those whose predictions of the future fail to come true are condemned to repeat them. Eventually they might come right.

Despite the new title, this volume carries on essentially the same doomsday analysis which the author launched five years ago in *The Downwave*. That made forecasts with what the publisher's blurb claims was "uncanny accuracy" about gold, currencies, lifestyle and fashion. Unfortunately the more important forecasts about the stock market and the property market have so far proved pretty disastrous.

Take house prices, which Beckman said would fall by up to 80 per cent in 10 to 15 years. In fact in the first 5 of those years they have risen in the UK as a whole by 70 per cent (and by 130 per cent in London).

In the case of the equity market the author ought to have been able to make plenty of

age out of last October's crash. But as far as I can see it is not even mentioned in this book until page 146. The crash might provide some justification for the

*Downwave* forecast of a UK equity market crash as severe as that of Wall Street in 1929. However, to have stayed out of equities since 1983 - since UK equity prices have roughly doubled, even post-crash - would have been a very expensive mistake.

Pundits like Bob Beckman deal in certainties. Unfortunately there is nothing at all certain about the theory of long cycles in the world economy, which is the basis of the book. Even Kondratieff never claimed that long cycles were consistent in duration to within 25 per cent, and their amplitude is also highly variable.

So although long cycles are interesting for analytical purposes, they can be disastrous as a basis for forecasting. You can easily spend 10 or 15 years waiting for an overdrive turning-point, which can be an awful long time to be out of a bull market in equities or housing. This could have been extremely embarrassing for some of Bob Beckman's more credulous disciples, although the author himself apparently has done well enough to afford a London triple penthouse, and to drive around Monte

Carlo in between times in a white Lamborghini.

Meanwhile, he just goes on forecasting collapse - there is a 50 per cent chance that we shall see an action replay of the 1930s depression" - and no doubt eventually there will be an economic setback which he can call as his own. Then we will be able to move on into the Upwave, with a "cornucopia of opportunities and dimensions".

As a 150-page volume the book might be a reasonably amusing piece of nonsense. But it is padded out to a grotesque 616 pages, apparently on the view that the longer it is and the greater the sweep of history it covers the more authoritative it will seem. What does King Hammurabi of the Amorites have to do with the argument? Not a lot, but he is there nevertheless.

Later in the book Beckman simply starts to rant. Margaret Thatcher is "one of the most socialistically motivated leaders in British history" and proper economic analysis by the media is suppressed by "Whitbells' stamping army of powerful, ignorant and morally corrupt economic puppets". No Sunday newspaper offered to serialise *The Downwave* because he had endangered the image of the First Lady of the Falklands. But perhaps there was another reason.

Barry Riley

## A high-flying hippy

**RICHARD BRANSON: THE INSIDE STORY**  
by Mick Brown. Michael Joseph. £12.95. 278 pages

RICHARD BRANSON owes us £20. I don't suppose that I am the only creditor of one of the 10 richest men in the country, with a personal fortune nudging £200m, nor do I expect payment. He has cancelled the debt, which dates back 20 years to the time of his first business venture, *Steward magazine*, by leading a picaresque life which has also been

socially useful.

Mick Brown's biography is both critical and authorised, which means that you end up by admiring Branson while feeling rather sorry for him. He is the hyperactive child, the one who always ends up falling in the swimming pool and throwing bread rolls in restaurants, but who, through his drive and inhibition, actually gets things done.

It helped to have a pushy mother,

a titled grandfather, a snobbish

bank (Coutts); loyal friends and

supreme confidence. As a finan-

cial master at Stowe on how the tone

of the place could be improved.

Two years later in 1987, he was

the cock of a Connaught Square

commune, which attempted to

cash in on the blossoming youth culture.

Since then the progress has been remorseless, although with some spectacular setbacks - a whopping fine for purchase tax evasion, business failures such as

Event magazine; a nasty divorce

and at least two brushes with a

watery death. Branson has

turned out to be the child of the

1960s with the acquisitive phi-

losophy of the 1980s. Students are

obsessed with music; hence Vir-

gin record stores. From there it

was a natural progression to run-

ning a record company. Bran-

son's fortune is actually based on

the acumen of his associate

Simon Draper, who recognised

the potential in musician Mike Oldfield. His recording of "Tubu-

lar Bells" produced the first million pounds. Branson's own musical tastes have never developed much beyond Cliff Richard's "Bachelor Boy."

The Virgin Atlantic airline came through a chance approach from Randolph Fields, who had the idea but little money. Branson envisaged his record-clutching customers as keen travellers if the price was right, so, against the advice of his associates, he found the cash. All along he has provided the momentum while others have taken care of the social useful.

Now Branson is only the director of a successfully launched public company. Hence the time to indulge in ballooning and pow-

er-boat racing and the campaign

to halt AIDS. At 37 his career has somehow stopped, but he has his memories and what, odd, they are. He has helped to change the law - the Venereal Diseases Act; he has entertained the country with the two most bizarre musical acts of recent decades, The Sex Pistols and Boy George; he has been an imaginative entrepreneur while never shaking off his hippy roots, the innate feeling that life, unlike money, is not to be taken too seriously. With his cheap records, his cheap flights, and cheap jokes, Branson has more than repaid my £20.

Antony Thorncroft

As the US economy flounders, Japan launches a full-scale assault on the New York money markets...

**THE SAMURAI STRATEGY**  
THOMAS HOOVER

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Michael Joseph

## Fiction

### Such deadly innocence

**THE FIFTH CHILD**  
by Doris Lessing. Jonathan Cape. £9.95. 133 pages

**S** is for John Updike. André Deutsch. £10.95. 244 pages

**The Shadow Bride**  
by Roy Heath. Collins. £11.50. 437 pages

**Summer's Lease**  
by John Mortimer. Viking. £11.95. 288 pages

**THE SMALL** boy on the jacket of Doris Lessing's novel is far too attractive. The point about Ben, fifth child in an otherwise perfect family, is that he is never child-like, never has that unique sweetness, lawlessness, vulnerability. Even in the womb he plunges and kicks, like the monster he is to become.

Having given their lives to achieving domestic happiness in a bug-eaten Victorian house, all tenderness and hospitality, where visiting families warm their hands at the glow of it, Harriet and David can do nothing with or for their terrifyingly strong, ice-eyed, unresponsive son, who kills the family dog and cat, chases birds, tries to kill his brother. Everything falls apart, children and visitors desert, the house is finally filled with Ben's hoodlum friends. Where is the happiness that seemed so easily found in simple, accessible forms? - in loved children, the garden, cooking, 30 at meals round the sum-

Continuing the vivid and dramatic story of the Hudson Bay Company begun in *Company of Adventurers*

**CAESARS OF THE WILDERNESS**  
PETER C. NEWMAN

"I cannot conceal my enthusiasm for the story of the Hudson's Bay Company; here it is very well told"

A.L. Rowse *Financial Times*

"Author Peter C. Newman tells a thrilling chilling story" - *Daily Express*

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attacking people who have never been attacked before like, er, Cecil Parkinson and Jeffrey Archer.

Some intelligent people, like Sir Ralph Halpern, will spot the joke. Some even more intelligent people, like Lord Hanson, will not bother to reply at all. But if we don't get many replies, we can pad out the book with bits of the imaginary soap opera script. It doesn't have to be very amusing, or very well written, because we can pretend that's all part of the joke.

Then, and this is really funny, you can write to lots of people whose jobs will require them to reply. Government departments, the Equal Opportunities Commission, theatrical agents who want to get their clients into a television series, people like that. We can print their serious answers and then have a jolly good smear at them for not getting the joke.

Stick a hit of stuff about your "black wit and deviousness" in, give it a title like *The Soap Letters* to draw in unsuspecting East Enders viewers, price it at £9.95 and the punters will love it. With luck, the paperback will be out in time for Christmas, together with our other titles like *101 Uses for an Old Joke*.

What do you think? The usual 10 per cent for yourself, of course. Yours profitably. Megabucks and Hype, Publishers

Philip Coggan

## A monumental tale

**CAESARS OF THE WILDERNESS: COMPANY OF ADVENTURERS VOL. II**  
by Peter C. Newman. Viking. £13.95. 450 pages

THE HUDSON'S Bay Company ranks only after the East India Company in historic significance and lasting impact on the outside world. Like its senior, this company has accumulated a wealth of archives from which its history may be written. Here is the second volume of Newman's monumental but lively story of it all, so much of which has gone into the making of Western Canada. If it had not been for the company the probability is that it would have become part of the US.

The first part of the story is that of the attempt of the individualistic Nor-Westers, based on Montreal, to break into the company's monopoly of the fur trade, based on the Bay. Much of it is a hair-raising tale of clashes, fights, murders - like any old Western film - amounting almost to guerrilla warfare in the wild. That period ended in a sensible merger, by which Hudson's Bay really took over its challenging junior.

A third figure of importance was David Thompson, a Welsh

# Scottish renaissance

WHEN ONE talks about the arts in Great Britain being under the hammer, or feeling the pinch, one does not talk of the arts in Scotland. Over the past few years, a growing mood of enthusiasm and adventure has resulted in substantial increases in funding, notably from the Regional and District Councils.

Tomorrow sees the opening of the Glasgow Mayfest, which, in six years, has grown to be the second largest festival in the United Kingdom. While the largest, the Edinburgh Festival, struggles to match its international prowess with the demands of near-royal local politicians — the Labour Party is expected to retain power on the City Council after next week's elections — Mayfest has become symbolic of Glasgow's cultural ascendancy. The mood is reflected in advance ticket sales, which this week already stood in excess of £100,000. The total box office take for last year's Mayfest was £75,000.

Much of Scotland's creative and artistic vigour stems from the second city. The district and regional councils have "got culture" in a big way and the place endures, as one of the brightest young Scottish critics, Joyce Macmillan, has remarked, "a strange exuberant life after industrial death".

Glasgow has been designated the European City of Culture for 1990, and the current production of Peter Brook's *Mahabharata* in the Old Transport Museum marks the start of a three-year festival programme heavily underwritten by Strathclyde Regional Council.

The Glasgow Citizens, for 15 years the most adventurous and interesting regional theatre in Britain, has just been given a grant increase by Strathclyde of 106 per cent, a 75 per cent increase by Glasgow District Council, and a nine per cent increase by the Scottish Arts Council; for the first time, the Citizens will for the first time have a summer season of in-house productions, starting with Philip Prowse's revival of Wilde's *Lady Windermere's Fan* as part of Mayfest next week.

THE FOUNDATION (1982) and development of Scottish Opera was one of the great postwar success stories in the arts, culminating in the company moving in 1975 into Macbeth's Theatre Royal, Glasgow. Just about the most hospitable and practical opera house in the UK.

Soon after there were jitters. The original management team of Sir Alexander Silbain (artistic director) and Peter Hemmings (administrator) struck up when the latter moved to Australia and other points north and west; money problems not withstanding, and with just a sense of racing the clock, proliferated, some controversial managerial appointments brought unpleasant personality clashes. Sir Alexander, retiring, touring dates were cancelled, and this series of misfortunes threatened the very existence of the company, much to the distress of those who had admired its pioneering work.

There is now an encouraging

Premier League title, by contesting (on May 14) the Scottish Cup Final with Dundee United — and by commissioning a play about the club which they have sponsored to the tune of £175,000.

The *Celtic Story* opens in Mayfest next week on the stage of Glasgow's last independently owned theatre, the atmospheric temple of vanished vaudeville, the Pavilion. It is presented by Wildcat, a left-wing touring company which, in David McIver, boasts one of the most gifted songwriters in Britain today, and which has taken the popular theatre initiative from John McGrath's 7: 84 Company. 7: 84 faces the SAC axe in 1989 but will mount a strong appeal against the decision with support from Norman Buchan MP, and the Scottish Trades Union Council.

Much of Scotland's artistic vigour stems from its second city, Glasgow. On the eve of Mayfest, Michael Coveney reports

Muteki-Sha Dance Company of Japan and the Maly Theatre of Leningrad.

Although Mayfest costs a third of the Edinburgh Festival's £1.5m — it receives £280,000 in grants and raises £180,000 in sponsorship — it is far more healthily integrated into the city's life than is the Edinburgh director Frank Dunlop spends half his time arguing with councillors and trying to maintain local interest. As his publicity consultant Clive Sanderson roundly remarks, "Glasgow goes to concerts and theatre all year round. Folk in Edinburgh have, well, a rather different attitude. It's a shame, but it's a fact of life."

The new painters have emerged in Glasgow, the Scottish Opera is based there and, as the new SAC drama director, Anna Stapleton, has found, "people have a will and an energy to survive here, much as they do in Liverpool." Glasgow Celtic Football Club has celebrated its centenary this year by winning the

arts world North of the border than it is down South. Another Wildcat Show, *The Steenie*, was given last year a £10,000 sponsorship by the white-collar union NALGO. Groups like 7: 84, Wildcat, Borderline, Theatre About Glasgow (based at the Citizens) and Communicado tap into schools, working class halls and remote country venues with much more success and feedback than do their English counterparts.

On the whole, the arts in Scotland are not infected by too much snobbery. Self-consciously pretentious projects are invariably doomed. The Scottish Theatre Company, for instance, launched and re-launched in the early 1980s with a view to propagating the glories of rightly forgotten Scottish historical drama, went into liquidation before folding completely. The general view of a National Theatre is expressed by Anna Stapleton: "All Scotland's theatre companies are Scotland's national theatre."

The SAC has £15m to spend on the arts of which approximately £5m goes to music and opera, £2.5m to drama and £1.5m to dance (outside of the Scottish National Ballet, dance drags its feet behind England, although eight Scottish dancers were recruited by London Contemporary Dance last year).

The Traverse, till now a club theatre, has also gone public and

actively courts sponsorship. The chief drama clients of the SAC are the Glasgow Citizens, the Edinburgh Lyceum, receiving roughly the same, and the Edinburgh Festival, receiving about £0.5m. At the other end of the spectrum, Communicado produced three successful projects last year for £30,000. Their SAC grant has been more than doubled and great things are generally expected from Gerry Mulligan, a young director who mixes dance and drama in reportedly exciting and popular stews.

The Edinburgh Traverse is 25 years old this year, and its energetic director Jenny Killick is off for what one unfriendly rival called "a colour magazine career" in the bright lights elsewhere. She has, however, restored the Traverse as a going concern. A deficit has been wiped out and a productive new Scottish plays policy inaugurated.

No one wants to lose the Edinburgh Festival, but its local Scottish image is pale besides Mayfest, and indeed other regional success stories such as Joan

Knight's customer-friendly Perth, once a crumbly Victorian rep and now one of the best-equipped theatres in the country. Dundee Rep under Alan Lyddiard, who has inaugurated huge community projects and revived all of John Byrne's work; and even staid old Pitlochry which Clive Perry is turning around after a previous unhappy regime.

This year's Edinburgh Festival's sponsorship drive towards £0.5m was faltering until The Scotsman newspaper stepped in and raised in excess of £20,000. An Italian opera company was lost, but Edinburgh will now see the Huston production of John Adams's *Nixon in China*, directed by Peter Sellars and warmly reviewed on this page by Andrew Porter. The sensational *Ninagawa* of Tokyo will return with *The Tempest*, and another World Theatre Season is planned.

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The long view must be taken,

though, and there is no reason, apart from local indifference, why the Scottish renaissance should not be reflected in Frank Dunlop's ambitious but faintly old-hat international programme.

One feels he must make this a priority in future Festivals, otherwise he will find himself stranded and finally engulfed by the rolling tide of national endeavour. As I prepare to strike North for a few days of Mayfest, I already feel spattered in the vital, glistening spume of it all.

The Scottish National Opera has a new team. Rodney Milnes reports

## A company with clout again

upturn in Scottish Opera's fortunes. They have, in John Mauceri, a music director with a clout to match Sir Alexander's. Two prestigious and successful productions in recent seasons — Graham Vick's *Billy Budd* and the *Madame Butterfly* that marked the operatic debut of Miss Esprit — served notice that under the new managing director Richard Mandel the company was one to watch.

And there is nothing like recognition from on high to raise the spirits. The increase in funding from the Scottish Arts Council of four per cent for the 1988-9 financial year is above average

"We have been dealt with in not the worst manner," said Mr Mauceri at a recent press conference with nicely British understatement. Part of the increase is earmarked for the restoration of touring to Inverness, Dundee and Stirling, an undoubted boost to the company's morale, as is the Royal Opera's borrowing their *Butterfly* production for the next season at Covent Garden. Furthermore, the AGCB has promised money for an extra week's touring in England, a visit to Bradford bringing the total exposure south of the border to six weeks. All of which constitutes an encouraging vote of confidence.

The current season draws to an end with new productions of *La Bohème* (Elijah Moshinsky) and Bernstein's *Candide* (Jonathan Miller and John Wells), and the 1988-9 season just announced suggests that in matters of both repertory and casting recent developments have been no flash in the pan. Miss Esprit is returning to stage a new *Traviata*, one of those operas crying out to be directed by a woman at least once in a lifetime. Richard Mandel, only neophyte of the much admired *Cost fan tutte*, is to stage a new *Rheingold*, though the management is cannily refusing to commit itself to a whole *Ring* (it will nevertheless surely come).

Simon Callow will make his UK debut as an opera director with *Fledermaus*; the superb *Midsummer Marriage* (Tim Albery) originating from Opera North will be taken into the repertory; *Octopus Rex* will be staged in a hill with Scottish Ballet's *Petrushka*; Goran Järvelin's much-travelled *Don Giovanni* will be performed by Jonathan Summers and Francois Le Roux, sharing the title role.

Perhaps most exciting of all is the first staging by one of our companies of *Street Scene*, a work that on its too-rare appearances

here has inspired boundless admiration amongst those who persist in regarding Well as one of the key figures in 20th-century opera. It will be staged in a co-production with ENO by David Pountney, and conducted by Mr Mauceri — as will *Traviata*, *Rheingold* and *Giovanni* (no absentee MD he). Not that everything is rosy like all opera companies, the Scots are being forced to raise seat prices, but in line with the rest they are seeking to minimise damage to potential audiences while maximising income by increasing the highest range and holding, indeed in some cases decreasing, those in cheaper parts of the house. But every cloud has a silver lining: shortage of money means that the company cannot afford the equipment needed for surtitles, which, said Mr Mandel, with characteristic candour, came as a great relief to him personally. Scottish Opera is plainly in safe hands.

It is that he can once again announce a new work saying that it all "stems from a plainsong" (Dum completerunt Dies Pentecostes). He emphasises that it is not a "confrontational" concerto but rather a dialogue, Mozart-like, of equals. It is manifestly a virtuosic work, but it must also be practically the only oboe concerto of recent decades not to call for special effects ("multiphonics") from the soloist. Rather, it explores the instrument's capacity for extremely long, expressive phrasing. What better omen for the "Strathclyde Concertos"?

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**Born under a dark star**  
Rodney Milnes visits Opera North's new, but troubled production of "Fidelio".

OPERA NORTH'S new *Fidelio* was born under a dark star: the original production team (Vick/Lazarević) withdrew in the face of budgetary restrictions. Whereupon the star plummeted ignominiously to earth — the subtitute effort by Michael McCarthy (producer) and Peter Mumford (designer) is of epic and commendable silliness. & Not on this company's fair name.

No need to describe its clichés, you can only hope that some might be salvaged by other hands within Mr Mumford's

handsome if impractical first-act decor (to avoid further strains on the company's finances), while noting sadly that this was the first time one has heard booing at an ON first night (had I paid for my ticket, I would have led for it).

No, better to catalogue the considerable vocal and musical virtues so nearly obliterated by the

visual side. In the pit, David Lloyd-Jones led a fast, intense performance — school of Friesay, say, rather than Klempner — characterized by fiercely dramatic accents and impulsive forward motion, which is surely why *Fidelio* should go. The orchestra responded enthusiastically (faultless horns, expressive woodwind) and the chorus sang as always, brilliantly.

Janice Cairns was singing Leonore for the first time. Her soprano may not be conventionally "beautiful" but it is highly individual, plangent, excitingly athletic. The manifold technical difficulties of the role held few terrors for her: her sense of musical line saw her safely through the finale and "Komm Hoffnung," her fearlessness through the du-

geco duet (every note clearly voiced, nothing skimped) and the final section of "Abscheulicher," where with her proud stance — she has a perfect Leonore profile — and eyes blazing with affirmation she ensured that what was happening on stage at least momentarily approached Beethoven's vision. A noble, inspiring performance.

When the director (breezily and amusingly played by Richard Haddon Haines) arrives, Jolyon is

two weeks dead. But his wife Eileen (Patricia Lawrence) responds to an invitation to the reserve, stricken as she is with post mortem guilt at having ridculled her husband's travel just. And grandson Matty (Edward Rawle-Hills) goes along to Thursday night.

*Across Oka* is a small-scale ecological tragedy involving a Middlesbrough family and the plight of the white Siberian crane. In his youth, old Jolyon (Alfred Burke) befriended a Russian ornithologist. His plans of travelling to the Soviet Union have never been realised, though he corresponded with the above, mentioned curmudgeon and has stocked his boat with tinned provisions.

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## Setting the trend

THE ZEPTEGEIST is almost visible in Scotland these days, trilling with a high electrical charge. It is difficult to know exactly why, at a given moment, the main current of the arts should flow through a particular "provincial" place, but now that place is unmistakably Glasgow. (In the late fifties, for instance, it was Bristol.)

Glasgow is outstripping London on many counts. Hosted Peter Brook's *Mahabharata* when London failed to have its biggest coup so far. But when, I wonder, will a London arts body be willing and able to emulate Strathclyde Regional Council's recent initiative in commissioning from a major composer — Sir Peter Maxwell Davies — not one work, but, in brazenly baroque fashion, a whole series of ten?

This is a remarkable enough move, but by no means the first evidence of an enlightened attitude to the promotion of modern music in Scotland. A critic of modern music will frequently have found himself in parts of Scotland over the last decade. The Scottish National and BBC Scottish Symphony orchestras have commissioned and performed a large quota of new works, and have been collaborating in what was Britain's first festival of contemporary music, the various biennial or triennial "Musica Nova" week based at the University of Glasgow. Any number of internationally eminent composers have attended the festival; countless challenging pieces have been presented.

The Scottish National Orchestra has for some time been running its own composers' competition — the Ian Whyte Award. And another Ian has recently been an important name in Scottish new musical life: Ian Barr, who, as Chairman of the Scottish Post Office, put funds available for artistic commissioning and sponsorship to extremely intelligent use. The weekend of contemporary music chosen by Esa-Pekka Salonen in last year's Edinburgh Festival was backed by Ian Barr and the Post Office, and Maxwell Davies and the St Magnus Festival in Orkney have received extensive support. Alas, Ian Barr has just resigned his post.

The Orkney Festival has made a point in the ten years of its existence of bringing new, specially written pieces by young composers to attention, while it has been the sort of showcase for Maxwell Davies's own work that the Aldeburgh Festival used to be for Benjamin Britten's. Indeed, Maxwell Davies — not himself a Scot, of course, though resident on the Orkney island of Hoy — has served Scotland generally with quite as much loyal devotion as Britten once served the Fenlands.

So it is that he can once again announce a new work saying that it all "stems from a plainsong" (Dum completerunt Dies Pentecostes). He emphasises that it is not a "confrontational" concerto but rather a dialogue, Mozart-like, of equals. It is manifestly a virtuosic work, but it must also be practically the only oboe concerto of recent decades not to call for special effects ("multiphonics") from the soloist. Rather, it explores the instrument's capacity for extremely long, expressive phrasing. What better omen for the "Strathclyde Concertos"?

The play is best at documenting sharp topographical detail meshed with reminiscence, as in Jolyon's early speeches and the elliptical, lyrical encounter between Grandmama and Nikolai's mother, who turns out to be a creature rarer even than the white Siberian crane — a Marist from Tunbridge Wells. She misses tea on the lawn and lemonade.

There are good patches of careful, ruminative writing, but nothing really catches fire. The overall effect is of sifting through something rather too light and simultaneously stodgy, as in a disappointing soufflé. The only trouble is that, in this instance, the eggs do not end up on the plate, or even on the face. They simply go "splat" on the floor, which sort of sums up how I felt about things, too.

Mr Burke appears in the second half only to bring on the crane's nest. In retrospect, this might have been a moment pregnant with deep significance. Surely there is a long speech missing from beyond the grave. The halting, slightly precious tone characteristic of a Holman play exposes further the low wattage of the dramatic lighting system.

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